





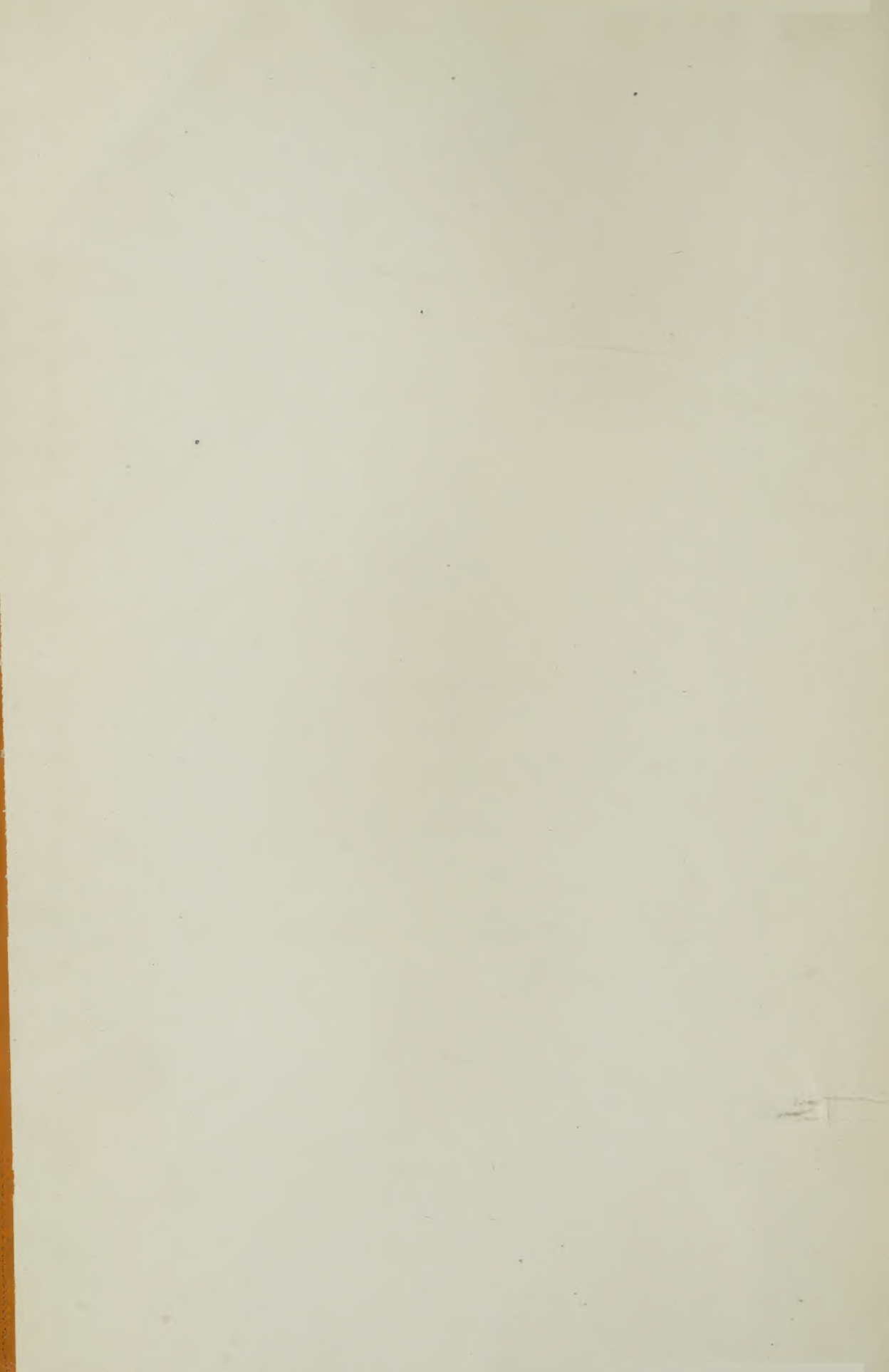
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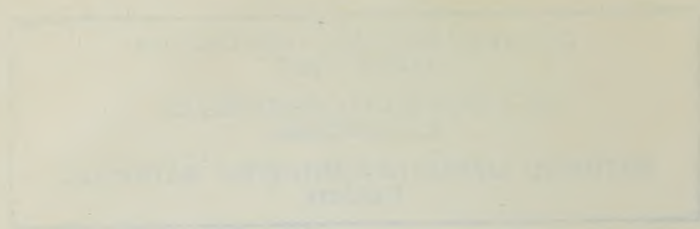




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APPENDIX

TO THE

FORTY-FOURTH VOLUME

OF THE

JOURNALS OF THE HOUSE OF COMMONS

DOMINION OF CANADA

SESSION 1909



OTTAWA

PRINTED BY C. H. PARMELEE, PRINTER TO THE KING'S MOST  
EXCELLENT MAJESTY

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## LIST OF APPENDICES, 1909

- No. 1.—Report of the Select Standing Committee on Public Accounts, as follows: Evidence, &c., relating to a payment to E. A. Hoare, in connection with Cap Rouge Viaduct; Evidence, &c., relating to a receipt of \$12,120 from E. Dussault & Co., in connection with services of dredge *Progress*; Evidence, &c., relating to a payment of \$2,503.97 to Lymburner, Limited, in connection with Montreal Old Examining Warehouse; Evidence, &c., relating to a payment of \$50 to Daniel McLaughlin; Evidence, &c., relating to a payment of \$4,721.30 to Rothwell, Johnson and Stubbs, in connection with the Transcontinental Railway; Evidence, &c., in connection with the Inquiry into the Balance Sheet of the Dominion. *(Printed.)*
- No. 2.—Report of the Select Standing Committee on Agriculture and Colonization, as follows: The evidence of Dr. J. G. Rutherford, Veterinary Director General and Live Stock Commissioner; The evidence of Mr. J. A. Ruddick, Dairy and Cold Storage Commissioner; The evidence of Mr. A. McNeill, Chief of Fruit Division. *(Printed.)*
- No. 3.—Report of the Select Standing Committee on Marine and Fisheries in connection with the evidence taken before the Committee respecting the Lobster Industry. *(Printed.)*
- No. 4.—Report of the Select Standing Committee on Forests, Waterways and Water-powers, as follows: The evidence of Mr. R. E. Young, relating to the Waterways of Canada; The evidence of Mr. R. H. Campbell, relating to the work of the Forestry Branch and Forest Reservations; The evidence of Mr. P. E. Ryan, relating to Fire Protection along the Line of the National Transcontinental Railway. *(Printed.)*
- No. 5.—Report of the Select Standing Committee on Mines and Minerals, as follows: The evidence of Mr. H. H. Rowatt, Secretary of the Mines Branch of the Department of the Interior, relating to regulations governing the disposal of minerals on Dominion Lands, placer mining, quartz and coal mining, petroleum and natural gas, dredging and hydraulic regulations; Of Dr. Haanel, Director of Mines; Of Mr. R. W. Brock, Director of the Geological Survey; Of Messrs. J. B. Tyrrell, B. A. C. Craig and Dr. A. E. Barlow, representatives of the Canadian Mining Institute; Of Mr. J. M. Clark, K.C., Toronto, on Mining Law. *(Printed.)*





# EVIDENCE

TAKEN BEFORE THE

## PUBLIC ACCOUNTS COMMITTEE

DURING THE

SESSION 1908-9

*PRINTED BY ORDER OF PARLIAMENT*



OTTAWA

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1909



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# EVIDENCE

TAKEN BEFORE THE

## PUBLIC ACCOUNTS COMMITTEE

RE RECEIPT OF

\$12,120 FROM E. DUSSAULT & CO., IN CONNECTION  
WITH SERVICES OF DREDGE "PROGRESS"

*PRINTED BY ORDER OF PARLIAMENT*



OTTAWA

PRINTED BY C. H. PARMELEE, PRINTER TO THE KING'S MOST  
EXCELLENT MAJESTY

1909



HOUSE OF COMMONS,

COMMITTEE ROOM No. 32,

OTTAWA, 14th May, 1908.

The Select Standing Committee on Public Accounts beg leave to present the following as their

FOURTEENTH REPORT.

Your Committee recommend that the evidence taken respecting payments to Dussault & Co., Lymburner, Limited, and Rothwell, Johnston & Stubbs, be printed as an appendix to the Journals, and also in Blue-book form, and that Rule 72 be suspended in relation thereto.

A. H. CLARKE,

*Chairman.*





## MINUTES OF EVIDENCE

HOUSE OF COMMONS,

COMMITTEE ROOM No. 32,

TUESDAY, Feb. 23, 1909.

The Select Standing Committee on Public Accounts met at 11 o'clock a.m., the Chairman, Mr. A. H. Clarke (South Essex) presiding.

The committee proceeded to the consideration of the item 'Dussault, E. & Co., services *Progress* dredge and plant, \$12,120,' as set out in the Report of the Auditor General for the fiscal year ending March 31, 1908, under the heading 'Casual Revenue,' page V—392.

Mr. NORTHROP.—Mr. Lafleur, Chief Engineer of the Public Works Department, who was summoned to give evidence in regard to this item, is, I am informed by Mr. Pardee, confined to his bed by illness, but it has been suggested that Mr. U. Valiquet, of the Public Works Department, will be able to give us all the information that we desire in connection with this item, and I am perfectly content to accept Mr. Valiquet as a witness under the circumstances.

Mr. U. VALIQUET, called, sworn and examined.

*By Mr. Northrup:*

Q. I believe you are in the Public Works Department?—A. Yes.

Q. What is your position?—A. I am engineer of the Public Works Department in charge of different works.

Q. Have you anything to do with the improvements in the Quebec harbour?—A. Yes.

Q. Have you paid any special attention to this contract with Messrs. Dussault, Lemieux & Co.?—A. Yes, sir.

Q. Can you tell me when the contract was first made with them?—A. May 8, 1903.

Q. I have here copies of the tender and contract, can you tell me if these are correct (handing documents to witness)? They come from the Public Works Department?—A. Yes, I believe those are correct.

Q. Taking the item with which we are concerned, the tender which was accepted was for dredging at \$1.25 per cubic yard?—A. No, sir, at 75 cents.

Q. At 75 cents per cubic yard?—A. Yes, sir.

Q. And for filling in at 32 cents per cubic yard?—A. That was not the tender at all, sir; the whole work was given as a lump sum contract, and these prices are put in by the tenderer in case there should be any addition or subtraction to be made from the contract as a whole. That is, in the first contract his price of 75 cents per cubic yard had nothing to do whatever with the tender; the tender was for the lump sum of \$198,700.

Q. And you say that these figures which I have quoted, given there in the tender, were merely put there in case of an extra or something of that kind?—A. For extras or for subtraction.

Q. And that the contract is for a lump sum?—A. Yes, these figures were given as a guidance for payments on extra work if there should be any.

Q. Then, there was another contract made, I believe?—A. Yes.

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Q. For work there by the same firm?—A. Yes.

The CHAIRMAN.—That is not a payment by the government, is it? This is an item in the revenue?

Mr. NORTHRUP.—Yes, payment by the government.

The CHAIRMAN.—No, it is a receipt; it is under the heading of 'Casual Revenue' here.

*By Mr. Northrup:*

Q. The other contract was made, I think, on June 11, 1904, was it not?—A. Yes, that is right.

Q. There were specifications in connection with the first contract, were there not?—A. Yes.

Q. Can you tell me if these are the specifications (handing document to witness)? —A. Yes, those are the specifications for the first contract.

Q. Then, under that first contract, how would you pay the contractor if these figures specifying the amounts to be allowed for various works were not a guide?—

A. The total amount was made out according to the prices which were set down, so as to come to the total amount of the contract. The different items were set down, for instance, before the contract was given the price was established according to the quantities found from the plan. Now, that was before the tender was given, of course.

Q. Excuse me, you misunderstand my question. You have told me that the tenderer contracted to do the work for a certain fixed sum?—A. Yes, sir.

Q. And that there were no prices for particular parts of the work?—A. No.

Q. Then, I ask you how did you pay him from time to time; on the estimate of so much work done?—A. No, we paid him according to the quantities put in the work at certain prices which, for different items, would amount to the total sum of the contract.

Q. Then, did the department figure out what sums should be allowed for each of these items? So much for dredging work, or whatever it might be?—A. Yes.

Q. That is clear enough. Now, was the same course followed with regard to the second contract?—A. The second contract was given according to the schedule of prices submitted in the first contract.

Q. Your procedure was the same in the second as in the first?—A. As to estimates do you mean?

Q. Your procedure for payment?—A. For payment, there was the schedule with the prices set beside each item for payment of extras.

Q. That is the several prices that were fixed by the department?—A. No, the prices set by the contractor.

Q. I have not quite followed you. You have told me that the first contract was for a lump sum, and that the department paid for the work by figuring out for themselves how much should be allowed for dredging, filling and other works?—A. Yes.

Q. Did they pursue the same course with respect to the second contract?—A. No, on the second contract the contractor was paid according to the prices set by the tender for the first contract.

Q. The second contract, then, was to be according to the price set by the tender for the first contract?—A. Yes, sir.

Q. That point is cleared up, then. In these specifications you have given me—are these the specifications for the first or the second contract?—A. These are the specifications for the first contract.

Q. And I see in the first specification, under the heading 'Prices' that there are certain provisions. 'The price stated by the contractor in his tender is to be taken as that upon which alone he agrees to be paid for all materials required and for all works embraced in this specification and accompanying plans' so that the first contract did provide that the contractor should be paid according to the prices set forth in the tender?—A. Yes. Well, you will see there is a clause there which says that any

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addition or subtraction from the work will be paid according to the prices set out by the tender.

Q. Yes, but I am coming back to the contract itself; the specifications expressly provide that the work shall be paid for as set forth in his tender?—A. Yes.

Q. And the tenderer would set forth the price for each class of work?—A. Well—

Mr. MACLEAN (Lunenburg)—No, the contract stated the total amount.

Mr. NORTHRUP—There was a total amount specified in the contract.

Mr. MACLEAN (Lunenburg)—There was no schedule in the contract proper, but there was a schedule for additions or subtractions.

Mr. CARVELL—And the second contract was on the schedule in the tender for the first contract.

*By Mr. Northrup:*

Q. Yes, but the first contract, as he says, was paid in a certain way which apparently would be in accordance with the schedule. How much was paid for dredging?—

A. The price established by the contractor was 75 cents per yard.

Q. Seventy-five cents per cubic yard. That was the amount the government was to pay him for this dredging?—A. Not under the first contract, because the first contract was for a lump sum.

Q. Excuse me, you have told me that the specifications I hold in my hand were those of the first contract?—A. Yes.

Q. The tender you have in your hand, the tender that I gave you, is the tender for the first contract?—A. Yes.

Q. And I have read already the clause in the specifications that provides 'The price stated by the contractor in his tender is to be taken as that upon which alone he agrees to be paid for all materials required and for all works embraced in this specification and the accompanying plans'?—A. Yes, that is the lump sum.

Q. No?—A. Yes, that is it.

Q. 'The prices he stated'?—A. Yes, the lump sum of \$198,700.

Q. You would construe that as meaning that the items specified had no reference at all to the contract as it stood, but only referred to additions?—A. Yes, that is it, or to subtractions.

Mr. MACDONALD.—Mr. Valiquet is not a lawyer and should not be called upon to give a legal opinion.

Mr. NORTHRUP.—I am not asking him for a legal opinion, I am only asking him as to what they really did

Q. Coming to the second contractor, how much were you to pay him for dredging?—A. 75 cents.

Q. And how much for dumping the earth for filling?—A. Oh, for filling in, 32 cents.

Q. For this 75 cents a yard what was the contractor to supply?—A. He was to supply everything.

Q. Everything? The dredge and—?—A. Yes.

Q. The tug?—A. Yes.

Q. The men to work the dredge?—A. Yes.

Q. And the fuel for the work?—A. Yes.

Q. Everything?—A. Yes.

Q. That is clear is it, that the contractor was to supply everything and be paid 75 cents for his work and dredging?—A. Yes.

Q. And was the contractor to supply everything and be paid 32 cents for his work and filling in?—A. Yes.

*By Mr. Macdonald:*

Q. Is this contract in writing?—A. Yes.

Q. Have you got it here?—A. Yes, there is a copy of it here.

*By Mr. Northrup:*

Q. How long did the contractor continue to supply all the materials for dredging, the dredge, the tug and everything?—A. He continued all along.

Q. Continued all along?—A. Yes.

Q. What dredge was used, latterly we will say?—A. Latterly, the International, government dredge, was used.

Q. The last dredge used was the International, government dredge?—A. Yes.

Q. What dredge was used prior to that?—A. There was another dredge, the *Progress*.

Q. Owned by whom?—A. By the government.

Q. By the government? When did the government first allow one of its dredges to be used?—A. 1904, I think.

Q. In 1904? Have you any figures to show how much work was done by the dredge supplied by the contractor before the government supplied a dredge?—A. No, not at the beginning but there was another dredge worked there, owned by the W. J. Poupore Co., that worked there during three months, I think, and which the contractor paid for.

Q. The contractor paid for that? Can you give me any idea from the estimates how much work was done by this dredge which belonged to the Poupore Co.?—A. No, I could not. I have not anything to do with that. The contractor had to pay for it and he kept his own accounts.

Q. Would there be any record in your department to show how much was done?—A. No.

Q. Then after about three months the government dredge began to work?—A. Yes.

Q. Was there any change made in the contract when the government did the dredging?—A. They were given the same price as the Poupore Co. charged.

Q. How much did the contractor pay the government?—A. 15 cents.

Q. 15 cents a cubic yard for dredging?—A. Yes.

Q. Was the dredge used at all in the filling in?—A. Well, a part of the dredging which could be used was put in for filling but—

Q. Was the dredging used for filling?—A. Some of it, yes.

Q. Can you give me any idea how much?—A. No, I could not because a certain quantity had to be dumped out in the river owing to the want of space to be filled in at the start. Then again the contractor had a suction dredge and two clam shells working on the filling, that he owns himself, and these three plants have done—along with the C. P. R. Company who wanted the filling done—they have done partly—well, three quarters of the whole filling.

Q. Then your answer would come to this: that the government dredge did assist in the filling but you cannot tell to what extent?—A. No, I could not.

Q. Was anything allowed the government for the use of their dredge for the filling?—A. Not for the filling.

*By Mr. Macdonald:*

Q. What year is this, Mr. Valiquet, that you are speaking of?—A. That was in the year 1905 and 1906.

*By Mr. Northrup:*

Q. I think you told us the government dredge began the work in 1904?—A. Yes, it began but it did no filling then.

Q. It began at dredging?—A. Oh yes, about a month's dredging.

Q. It did about a month of this in 1904 and then it worked in 1905?—A. 1905 and 1906.

Q. And 1907?—A. Yes.



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Mr. MACDONALD.—Had we not better confine ourselves here to 1907?

Mr. NORTHRUP.—The item is \$12,000 and I want to find out how much was done in 1907, how much in 1906 and how much in 1905.

Q. Can you tell me how much was paid for the use of this dredge the *Progress*?

A. Well there are different accounts.

*By Mr. Macdonald:*

Q. In 1907?—A. In 1907. I think it was \$12,120.

The CHAIRMAN.—That is a receipt then of \$12,000.

Mr. NORTHRUP.—I am not at all sure. I want to get the facts out, whether all this work was done in 1907 or not. It appears in 1907 but it might have been carried forward from the previous year. I cannot tell.

The WITNESS.—No, you cannot tell.

The CHAIRMAN.—It was stated at first that this was a payment to the government, it is a receipt to the government.

Mr. NORTHRUP.—This is a receipt to the government from this man.

Q. Can you tell me how much dredging was done in 1907?—A. I think there was 62,000 yards approximately.

Q. In what year, in 1907?—A. Yes.

Q. And there would have been more done, additional work done in the previous year, 1906?—A. No. Well somewhat less in 1906.

Q. Some work would have been done in 1906? And in 1905?—A. Yes.

Q. And in 1904?—A. Yes.

Q. And then in the last year, 1907, some 62,000 yards were done?—A. No, 88,000 yards.

Q. 88,000 yards?—A. Yes.

Q. Now for the work done last year then, this 88,000 yards, would it be correct to say that the contractor in the first place received 75 cents a yard for the dredging and then paid 15 cents to the government?—A. He perhaps had 75 cents at first for dredging in place and the contractor pays for dredging measured on the scow which makes a big difference.

Q. I understood that—we will come to that difference between in situ and scow measurement—but I want to get the facts as we go along. Is it the fact that the contractor was paid 75 cents a cubic yard for dredging measured in situ?—A. Yes.

Q. And he paid the government 15 cents a yard?—A. Measured on the scow.

Q. Measured on the scow?—A. Yes.

Q. What would he say would be the difference between the measurement in situ and measurement on the scow? How much larger the percentage?—A. There would be about 30 or 35 per cent difference.

Q. Thirty to 35 per cent?—A. Yes.

The CHAIRMAN.—That is, it is greater on the scow because it is loosened up.

*By Mr. Maclean (Lunenburg):*

Q. Twenty-five to 35 cents scow measurement?—A. No, it would amount to more than that.

*By Mr. Northrup:*

Q. Fifteen cents would be surely more, it would be 20 cents would it not?—A. Yes. He means on the scow, yes, exactly.

*By Mr. Maclean (Lunenburg):*

Q. It would be about 25 to 30 cents?—A. 25 to 30 cents scow measurement.

*By Mr. Macdonald:*

Q. This was for the use of the dredge, I suppose?—A. Yes, sir.

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*By the Chairman:*

Q. I thought you said it was 15 cents scow measurement?

Mr. NORTHRUP.—He paid the government 15 cents a yard.

*By the Chairman:*

Q. Let us see. Did you not say the contractor paid the government 15 cents a yard for the use of the dredge and it was 15 cents a yard scow measurement?—A. Yes, but they wanted to make the difference——

Q. And 15 cents a yard scow measurement would amount to about 20 cents a yard in place?—A. Yes, 25 cents.

*By Mr. Northrup:*

Q. Now when this work was done last year the government supplied the dredge, and the men and the fuel—supplied everything did they not for the dredging?—A. Yes.

Q. What had the contractors to do then, anything more than supervise the dredging?—A. Yes.

Q. I am just referring to dredging now. Will you explain why it was that the government paid him 75 cents per cubic yard for doing the dredging and they themselves supplied the dredge and everything and were only allowed 20 cents per cubic yard scow measurement for doing it?—A. This 75 cents per cubic yard was allowed; it was considered fair and owing to the lower prices which were in the tender for other items. The whole price was recommended as being fair and just owing to some of the prices for the other items being very low. Therefore the average price for the whole work was recommended as being fair and just.

Q. Then you started with the assumption that 75 cents per cubic yard for dredging is fair?—A. No, it was rather high, but considering that other items were low, the average price for the whole was considered fair and just.

Q. You thought, under the circumstances then, that 75 cents per cubic yard would be fair?—A. Yes.

Q. Then under the contract you have told us that the contractors were to be provided with the dredge and everything else?—A. Yes.

Q. Did the time come that the contractors not having a dredge had to apply to the government for a dredge?—A. Of course they applied to the government for a dredge because the *International* was the only dredge at that time in Canada that could do the work.

Q. So the government supplied the dredge, only charging 15 cents scow measurement, that would be 20 cents practically for doing the work?—A. Yes.

Q. Am I correct in saying that the government paid 75 cents per cubic yard to this contractor, supplied the dredge and all material for doing the work, and were allowed practically 20 cents per cubic yard for doing it?—A. Well, their——

Q. Is that correct?—A. Yes, that is about correct, yes.

Mr. PARDEE.—That is not correct.

The CHAIRMAN.—Is that the first contract you are speaking of?

Mr. NORTHRUP.—As I understand it, I cannot go into what was done under the second contract, but it was the same principle as in the other.

The WITNESS.—The question was put in a certain way and I answered it.

Mr. SHARPE (Ontario) objected to the examination of the witness by Mr. Northrup being interrupted.

*By Mr. Northrup:*

Q. I understood the witness to say that the difference between measurement 'in situ' and 'scow' was about 25 to 30 per cent?—A. About 30 or 35 per cent.

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Q. Under the contract we have 75 cents per cubic yard paid by the government for dredging in situ?—A. Yes.

Q. Then the government was being paid 15 cents per cubic yard, scow measurement, and I ask you now what would be the percentage of increase by virtue of scow measurement?—A. 30 or 35 per cent.

Q. And 30 or 35 per cent on 15 cents would be 5 cents; therefore, 20 cents would be about correct as the amount the government was allowed per cubic yard on work for which the contractor received 75 per cent.

*By Mr. Macdonald:*

Q. I would like to know, when you speak about the government paying 75 cents per cubic yard for this material, in place, did that involve work on the part of the contractor with other dredging material than this government dredge?—A. Certainly it involved other work.

Q. What other dredging plant was utilized by the contractor?—A. He had three different dredges there besides the government dredge, a suction dredge and two clam shells, which started the work over which the government dredge was to go afterwards. You see they took the upper part of the dredging and the government dredge came along and took the lower part of it.

*By Mr. Northrup:*

Q. I find among the accounts here of the Public Works Department, there are two accounts, the first one is for 62,000 cubic yards, and then there is another account for 18,000 cubic yards, which makes, as you say, 80,000 cubic yards of dredging?—A. Yes.

Q. So that 80,000 cubic yards of dredging was done by the government dredge?—A. Yes.

Q. And the government paid 75 cents per cubic yard for the 80,000 yards of dredging, did they not?—A. No, sir. This 80,000 cubic yards would be reduced by 30 per cent.

Q. Certainly, whatever it is?—A. Well, of course—

Q. I am referring to the difference between the two, what the government paid for this 80,000 yards subject to the difference in measurement between situ and scow measurement?—A. Very well.

Q. The government was paid 15 cents per cubic yard scow measurement?—A. Yes.

Q. Which would be equivalent to 20 cents a yard in situ?—A. Yes, approximately.

*By the Chairman:*

Q. The 88,000 yards is scow measurement?—A. Of course.

Q. That is scow measurement?—A. Certainly, yes.

Q. Seventy-five cents was not paid on that?—A. No, no.

*By Mr. Northrup:*

Q. Whatever the amount of the dredging was the government paid 75 cents in situ, and they received 15 cents scow measurement?—A. Yes.

Q. Now, tell me, at the time the government made this contract what was the reason for entering into such a contract as that?—A. For the dredging, you mean?

Q. To allow their dredge to do this work and they to be paid 15 cents per cubic yard?—A. Well, the dredge was allowed to go there because there was no other dredge in Canada that could do the work and that the Harbour Commissioners of Quebec were pressing to have it done.

Q. In the contract, I understand, there is a clause by which, if the contractor did not go on satisfactorily with his work, the government could take it over themselves, could they not?—A. Yes—

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Mr. MACDONALD.—Why are we asking the engineer about a matter of that kind?

Mr. NORTHRUP.—I can look it up, it is in the contract.

THE WITNESS.—I know it is there.

*By Mr. Northrup:*

Q. Was there not a clause in the contract that if the contractor did not go on with his work the government could take it over—

*By Mr. Maclean (Lunenburg):*

Q. Who owns the hydraulic dredge?—A. The contractor.

*By Mr. Northrup:*

Q. Then the contractor at that time, as you say, was unable to go on with that work because he could not get a dredge?—A. There was no available dredge in Canada that could do it.

Q. The government then was in the position to have taken over the work and carried it out themselves were they not?—A. Well, if they had taken the dredging it would have involved also the—

Q. Possibly it would but I am not asking you that. I am asking you whether the government could not have taken over that dredging and done it themselves at that time?—A. Oh, I suppose they could.

*By Mr. Maclean (Lunenburg):*

Q. Mr. Valiquet, from your experience if the government had taken it over could they have got the results that were obtained under this contract for the price of 75 cents a cubic yard?—A. No, I don't think they could.

Mr. SHARPE (North Ontario) stated that he was under the impression the proper procedure was to allow an honourable member having charge of a witness to exhaust his examination before other honourable members broke in with questions. He was a new member, however, and would like the ruling of the Chair on the point.

The CHAIRMAN.—I think the proper course is that the honourable member examining a witness should not be interrupted until he has completed the particular matter upon which he is engaged. If he does not care to allow another member to put a question he ought to object and doubtless the other member will wait until the examiner has finished the particular matter of inquiry. Then I think before proceeding to another subject it would be a convenient time for other members to ask any questions they desire in order to have the whole story upon that particular branch complete. I do not think we have had very much difficulty in the past. When the member examining a witness has asked another member to wait until he has finished that request has been invariably acceded to.

Mr. MACDONALD observed that when he first came to that Committee he had been under the impression that witnesses were examined in the same manner as in court. The contrary view had however been deliberately maintained by members of the Opposition who asserted that this Committee was not a court and that any questions whatever might be asked. Such has been the course which had been adopted. He argued that they were as judges, not as counsel on either side, performing judicial functions and, therefore, had the right to interject questions at any time so as to clear up a wrong impression which otherwise might be created.

Mr. NORTHRUP.—Speaking from experience in the past, referred to the difficulty of carrying on a cross-examination if the examiner was to be interrupted just as he was reaching a critical point; he thought Mr. Macdonald had spoken very fairly when he suggested that members should be at liberty to ask a question for the purpose of



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correcting a misapprehension or for the purpose of preventing a statement going upon the record which would be misleading if allowed to stand alone without the explanation which the question was designed to bring out. What he objected to, was an interruption by which an hon. gentleman instead of asking a question would interject a statement of fact. All would agree that was a very different proposition from asking a question.

Mr. V. GEOFFRION.—Said he was very glad to hear the Chairman make the ruling that had been accepted by the Committee. This ruling was in accord with the views he had expressed during the last year he had the honour of presiding over the deliberations of the Committee, but which were very strongly objected to by the Hon. Mr. Foster and Mr. Sproule, who insisted upon their right, and that of any member of the Committee, at any time, to put any question they desired to a witness. He hoped the Committee would uphold the decision of the Chairman as it was essential, in order to expedite the business of the Committee, that some rule must be followed, and the only rule that could be followed by the Committee would be that laid down for court procedure, although of course owing to the different circumstances, the court procedure could not be followed as closely as would be possible were the Committee constituted as a court.

*By Mr. Northrup:*

Q. I think, if I remember rightly, we were at the point that I was asking you whether the government was not in the position that it had the power under the contract, to dismiss the contractor and do the dredging itself?—A. I do not think that they had, it has never been done before.

Q. Is there any dispute about it? Is there any doubt that the government has that power under this contract?—A. It has never been done before.

Q. Is not that provision made in the specifications?—A. That same clause is in all the specifications.

Q. But to save time, that clause is in the specification, is it not?—A. Yes, it is there.

Q. The government has that right, to dismiss the contractor under the specification—that is right. Now, in what year did the government begin to supply the dredge?—A. It started in 1904, but it did very little work.

Q. It went on working in 1905, did it?—A. Yes.

Q. And in 1906?—A. Yes.

Q. And in 1907?—A. Yes.

Q. Is it still working?—A. It was working during last summer, yes.

Q. I have here the account, as I said, 'Messrs. Dussault & Lemieux, Dr. to the Dept. of Public Works.'

*By Mr. German:*

Q. Before you go into that, did the witness say that the government were paying all the men? Were the government paying all the men working on the dredge?—A. Yes.

*By Mr. Reid (Grenville):*

Q. And supplying the fuel?

*By Mr. German:*

Q. So that the contractor got the use of the dredge, the labour of the men, and the fuel, at the price stated?—A. Yes.

Q. He paid nothing extra for the men or the fuel?—A. No.

*By Mr. Northrup:*

Q. I have her the account against Messrs. Dussault & Lemieux which comes altogether to about \$12,120?—A. Yes.

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Mr. MACDONALD.—Which year?

Mr. NORTHROP.—It runs from 1905.

Mr. CARVELL.—Is that \$12,120 the total allowed?

Mr. NORTHROP.—Yes, it was paid apparently only this last year.

*By Mr. Northrop:*

Q. Now, can you tell me what this dredge was costing the government during this time?—A. No, I do not know exactly.

Q. Was the *Progress* employed exclusively last year in this work?—A. During last season, yes.

Q. In fact from the time the *Progress* began work for Dussault & Lemieux was it employed exclusively under that contract?—A. Not the *Progress*, the *International* first.

Q. The *International* was employed first and then the *Progress*?—A. Not exclusively.

Q. How much time was the *Progress* employed last year?—A. The *Progress* was not in Quebec last season.

Q. Was she there in 1907?—A. The *Progress* was there, I think, in 1905.

Q. Was she there in 1906?—A. No.

Q. The *International* was there in 1906?—A. Yes.

Q. Was the *Progress* there in 1907?—A. No.

Q. So that it was only one year the *Progress* was there?—A. Yes.

Q. And the *International* has been there since?—A. Yes.

Q. Was the *Progress* there the whole of the year 1905? Was she working?—A. I could not say whether she was there the whole year or not, I do not remember.

Q. Will you look that up and let us know?—A. Perhaps Mr. Howden can tell you that.

Q. Was the *International* there doing work the whole year in 1906?—A. Yes.

Q. And the whole year 1907?—A. Yes.

Q. And the whole of last season?—A. Yes.

Q. You do not know how much the *Progress* cost?—A. No, sir.

Q. I see in the year 1905-6 the cost to the Public Works Department of the *Progress* was over \$12,000—\$13,823.35, that was the cost of the *Progress* in the year 1905-6.

Mr. PARDEE.—What it cost to keep her up?

Mr. NORTHROP.—The cost of running the *Progress*. Here it is in the Auditor General's Report, the captain, engineer, carpenter, supplies and everything during the time she was doing this work. I notice that last year the Auditor General's Report shows that the cost of the *Progress* was \$12,004. The *International* was the name of the other dredge, I think?—A. Yes, the *International*.

Q. The cost of the *International* last year I see was \$22,844, according to the report, and take the year before—when I say last year I mean the year ending March 31, 1908. You have told us that the *International* spent the whole season of 1907 at Quebec on this work?—A. Yes.

Q. And it has cost, according to the Public Accounts, \$22,844.64 cents? I think you told us the *International* was working there during the summer of 1906?—A. Yes.

*By Mr. German:*

Q. Witness, would you tell us about how many yards the *International*, with the method of dredging done there, would take out in a day, scow measurement?—A. Well, from seven to nine hundred yards a day.

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Q. From seven to nine hundred yards?—A. Yes.

Q. Would that be in ten hours?—A. In ten hours, yes.

Q. What kind of digging?—A. Well, of course, the dredge could not work there all the time. When the tide was up she would have to stop because the dipper or the spuds were not long enough at high tide to allow her to work.

Q. What was the depth of water at low tide?—A. The dredge was digging down to 46 feet at low tide.

Q. Forty-six?—A. Yes.

Q. And then as the depth increased by reason of the tide coming in she would have to stop?—A. Yes.

Q. How much of the day would she be idle?—A. Well, something over half of the day.

Q. Something over half a day?—A. That is she would be working for something over half a day.

Q. Now as to this seven to nine hundred yards a day, do you mean by that that she would dig that quantity?—A. I did not say 7,900 yards a day but seven to nine hundred.

Q. Yes, seven to nine hundred yards a day? Does that mean a working day?—A. According to the hours she worked.

Q. Or does that mean for a full ten hours?—A. That is according to the day as she worked.

Q. Practically in half a day or a little over she would dig seven to nine hundred cubic yards?—A. Yes.

*By Mr. Northrup:*

Q. Referring to the Auditor General's Report for the year ending March 31, 1907, I see that the cost of the dredge *International* was \$9,743.70. Taking the progress, the first year she was at Quebec, her expenses, according to the Auditor General's Report, was \$15,000?—A. Well, I don't know anything about that.

Q. Then for the year 1907-1908, the Auditor General's Report gives the expenses of the *International* as \$22,844.64. Was nothing allowed the government for the services of this dredge in the dumping?—A. No, because it was not all dumped in a way to be useful to the contractor. A good part of it had to be dumped out in the river. Most of the filling was done by the Canadian Pacific Railway Company and the contractors' own plant.

Q. Well, the contractor, I suppose, was not paid anything for what he dumped into the river outside of his dredging contract?—A. It could not be paid as filling.

Q. He was paid when he filled in the dock?—A. Yes.

Q. Was the government paid anything for the services of these men and the dredge for the work they did in filling in the dock?—A. No, they were not.

*By Mr. German:*

Q. Now just let me ask a question. Was the dredge used at all for the purpose of filling in the dock?—A. Yes, to a small extent.

Q. That is that she would bring up a dipperful of clay and dump it right into the dock?—A. No, no; it had to be put in the scows first.

Q. That is what I am asking you. She dumped into the scows and then the scows were hauled to the dock?—A. Yes.

Q. And clammed out into the dock, I suppose?—A. Yes.

Q. So the dredge was not used itself?—A. No, not at all.

Q. For dumping?—A. No, not at all.

*By Mr. Reid (Grenville):*

Q. Clammed or dumped out?—A. Some of it was clammed and the other part of it was dumping scows.

*By Mr. Northrup:*

Q. Who owns these scows?—A. They belong to the dredge.

Q. Belong to the government?—A. Belong to the government.

Q. So the government dredge dumped the earth into the government scows and it was taken over to the dock and filled in there and the government was allowed nothing for anything of that nature?—A. No, for whatever they did but that was very little.

Q. You said that the reason this contract was made with the government to allow their dredge to be used in the way they did was because the other prices in the successful tenderer's contract were so low?—A. Yes.

Q. Just be good enough to give us the items that you say are very low? Here are the figures (handing document to witness). Which are the figures so low as to justify such a contract as this?—A. Spruce timber is low.

Q. State what the figures are?—A. Spruce timber at 25 cents per cubic foot.

Q. What should it be?—A. It should have been about 30 cents.

Q. What else was low?—A. Granolithic concrete at \$8.50 is low.

Q. What should it be?—A. It should be about \$9.50. Concrete super-structure \$6.95 is low.

Q. What should it be?—A. It should be about \$7.50 or \$7.75.

*By Mr. German:*

Q. Should it not be nearer \$8?—A. I believe so, yes. Because it is all mixed and prepared on a flooring plant. It should be \$8.

*By Mr. Carvell:*

Q. What was the specification for that mixture?—A. Oh, the concrete is made out of 1 of cement, 3 of sand and 5 of stone, broken stone.

*By Mr. Northrup:*

Q. Was there anything else too low?—A. Stone ballast, \$1.35.

Q. What should it be?—A. Well, under those conditions it should be \$1.35 to \$1.40.

Q. Anything else too low?—A. Stone and gravel on top of pier \$1.50 is too low and it should \$2—broken stone and gravel. That is about all.

*By Mr. Pardee:*

Q. How much of each one of these materials, speaking approximately, would they use in this work?—A. Well, I had the quotations here for the first contract.

Q. Give it in timber first?—A. In the first contract the spruce timber amounted to 179,330 feet, cubic feet.

*By Mr. Sinclair:*

Q. Did you say cubic feet?—A. Yes, sir

*By Mr. Reid (Grenville):*

Q. The next quantity is concrete?—A. Granolithic concrete there was 196 yards in the first contract.

Q. And concrete in the super-structure?—A. In the super-structure there was 2,761 feet.

Q. Stone ballast?—A. Stone there is 22,571 yards.

Q. And stone and gravel?—A. There is 4,475 yards.

Q. And these are the only things you think are considered?—A. Well—

Q. These items are low?—A. Yes.



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*By Mr. German:*

Q. Are these the quantities that went into the work?—A. Yes, sir, the quantities made up before the contract was given.

*By Mr. Northrup:*

Q. You have told us already that our friends the contractors made two contracts, one in 1903 and the other in 1904?—A. Yes.

Q. And the sum total of the two came to over \$500,000, did it not? A. The second contract was——

Q. The first contract was for a lump sum and the second was——?—A. The first contract was for \$198,700.

Q. And the second was?—A. The second contract was \$239,942.87.

Q. Between them they came to \$400,000 or \$500,000?—A. Yes.

*By Mr. German:*

Q. Were they both lump sum tenders?—A. The first was a lump sum tender and the second contract was given on the recommendation of the Chief Engineer at the schedule of prices submitted by the contractor with his first contract.

Q. And were tenders asked for this second contract?—A. No, sir, it was a continuation of the contract according to a clause in the specification which allowed the government to do so.

*By Mr. Northrup:*

Q. Let me be sure about this. I understand you the first contract was for a lump sum of \$190,000 odd?—A. Yes.

Q. In that tender for that contract were certain prices which were only to be applied to extra work?—A. Yes.

Q. This second contract was entered into without tender, but the prices named in the first tender were to be paid?—A. Yes.

Q. After that had been done and the contractor had worked a certain time under the second contract the government supplied its dredge?—A. Supplied what?

Q. The government supplied its dredge?—A. Yes.

Q. You told me, I think, a little while ago, did you not, that the government supplied the dredge on the terms stated because the contractors had tendered low for the items you named?—A. That was taken into consideration; that is, this price of 75 cents per cubic yard was allowed because their price for other items were low and the Chief Engineer considered it was fair and just, that is, that the average charges for the whole work was fair and just.

Q. Then the 75 cents per cubic yard, as I understand you, was allowed because the prices were so low?—A. Some of the other prices were low.

Mr. PARDEE.—He did not say that the 75 cents was allowed because the other prices were low; he said that was taken into consideration.

*By Mr. Northrup:*

Q. Partly because these prices were so low. Was that the reason why the price the government was to receive was fixed at 15 cents a yard?—A. I do not know that.

Q. You cannot tell that?—A. No.

*By Mr. Pardee:*

Q. Were other dredges doing it for that?—A. Other dredges were doing it, yes.

*By Mr. German:*

Q. What was the price per cubic yard for dredging on that first tender put in?—A. 75 cents per cubic yard that is, the first contract was for a bulk sum: the dredging was included in the bulk sum.

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Q. I understand that, but did you say the tender fixed a certain price?—A. Yes.

Q. For extras?—A. Yes.

Q. Did he fix 75 cents as his price?—A. That was his first price.

*By Mr. Reid (Grenville):*

Q. Per cubic yard in situ?—A. Yes.

*By Mr. Northrup:*

Q. He fixed that for extras and that was accepted by the government without tender for the second contract?—A. Yes.

Q. You cannot tell me any reason why the government fixed 15 cents per cubic yard as the price they were to be paid?—A. Oh, well, that was fixed at 15 cents because other contractors were ready to do the work for that price.

*By Mr. Pardee:*

Q. What other contractors?—A. W. J. Poupore & Company had done some work at 15 cents.

*By Mr. Northrup:*

Q. What dredge had the Poupore Company there?—A. I believe it was the *King Edward*.

Q. How did that dredge compare with the *International*?—A. Well, it could not dredge as deep as the *International*.

Q. There was no comparison between the dredges at all, was there?—A. The *King Edward* is a very good dredge and is considered one of the best dredges in Canada.

Q. But not as good as the *International*?—A. It cannot dig as deep as the *International*.

Q. It cannot dig as deep?—A. No.

*By Mr. German:*

Q. What is the size of the dipper on the Poupore Company's dredge?—A. He has two or three dippers, one is of six yards capacity.

Q. What is the size of the dipper on the *International*?—A. The one we used is only three and a half yards.

*By Mr. Northrup:*

Q. Do you know how deep the Poupore Company's dredge can dig?—A. About 42 feet.

Q. And how deep can the *International* dig?—A. About 55 feet.

Q. And the government was also to supply a tug, was it not?—A. As to the tug question, I am not very sure about that.

Q. Do you know anything about the tug question?—A. No, I do not.

Q. Do you know, as a matter of fact, that the government were to supply a tug and did not?—A. I do not, I had nothing to do with the matter.

Q. There were only a few items you gave me in your figures that were low?—A. Yes.

Q. Would it take long to figure out what the amount would be for those various items?—A. It would take some little time.

*By Mr. Reid (Grenville):*

Q. There are only five items: 178,330 cubic feet of timber at 5 cents, how much would that amount to?—



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*By Mr. Northrup:*

Q. That is the difference between the tender price and what you said would be fair.—A. It would make \$8,966.50 difference for the timber.

*By Mr. Reid (Grenville):*

Q. One hundred and ninety-six yards of concrete at \$1 would make \$196, would it not?—A. Yes.

Q. Then there is 2,671 yards of concrete superstructure on which there is \$1 per yard.

Mr. GERMAN.—More than that.

*By Mr. Reid (Grenville):*

Q. You said the price is \$6.95 and a fair price would be \$3, that is \$1.05 difference; there is \$2,700 on that. Then there is 22,571 yards of stone ballast on which there is 15 cents, that will be \$3,400; then 4,475 yards of stone and gravel on which there is 50 cents, the difference between \$1.50 and \$2, that would mean \$235. That will make \$17,497 about. What do you make it?

*By Mr. Northrup:*

Q. That would be about \$17,500, is that correct?—A. Yes, approximately correct.

Q. That you said the tender was lower than it might have been?—A. Yes.

Q. And it was on the strength of that fact that 75 cents was allowed for dredging?—A. That was taken into consideration.

Q. Otherwise, I take it, that 75 cents per cubic yard for dredging would have been a high figure?—A. Yes.

Q. Supposing everything were on the level, what would be a fair price for dredging there at that point?—A. About 35 to 40 cents—well, from 35 to 50 cents.

*By Mr. German:*

Q. Getting it out in tide water about 50 cents per yard?—A. Yes, I think so.

*By Mr. Northrup:*

Q. When you give those figures you mean that the contractor is to supply the dredge?—A. Yes.

Q. Do you know for a fact if any dredging was done by this government dredge there apart from dredging done for the purposes of navigation, just to get filling in for the back of the dock?—A. Yes, I think some of it was done for filling purposes.

Q. There was a good deal of work done just for filling purposes?—A. Not a good deal of work, but there was some of it done, and some of that was also dumped outside the place where the dredging was required.

Q. That is what I meant, work was done outside of the place where the dredging was required?—A. Yes.

Q. Simply to get the earth for the filling in?—A. Yes.

Q. So am I correct in this: is it the fact that the contractors actually dredged where they were not called upon to dredge at all and paid the government 15 cents scow measurement, whereas they got 32 cents?—A. Well, they paid that to the W. J. Poupore Co. The government dredge did very little of that except to obtain a certain depth, so that they could float, you see. At low tide there was very little water there, and at some places it was altogether dry at low tide.

*By Mr. Pardee:*

Q. That was for scows to float, you mean?—A. Yes.

*By Mr. Northrup:*

Q. Is it a fact that the contractors did dredging where they were not required to do it at all, but they were simply getting the earth for the filling in of the dock?—A. Some if it was, yes.

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Q. And it was done by the government dredge?—A. Very little by the government dredge.

Q. Can you give me any idea how much was done by the government dredge?—

A. It is hard to say; I don't think I could give you any idea at all. Probably one-eighth or one-tenth.

Q. Perhaps one-eighth or one-tenth was done outside of the contract for dredging altogether so as to get earth for filling?—A. Yes.

Q. Could you, as an engineer, give any justification for such a contract as that by the government under which they supplied a dredge which cost them \$45,000 to run, and they were paid \$12,000 for the work they did—can you give any justification for a contract such as that?—A. Under the circumstances, I think it was quite justified.

Q. Why?—A. And I recommended it myself.

Q. Why was it justified?—A. Because this dredge is the only dredge that could do the work and the Harbour Commissioners of Quebec were pressing to have the work completed to accommodate the steamships.

*By Mr. Pardee:*

Q. What steamships?—A. The Empress steamships, the C. P. R. steamships, and the C. P. R. was so much in a hurry to get the work done that they undertook themselves to do a great part of the filling for the contractor, in fact they started in the spring of 1905 and worked—brought out the filling on cars, which cost them considerable, brought it 32 miles to do the filling there.

*By Mr. Northrup:*

Q. That is all very interesting but the main point is, you are the gentleman who recommended the contract?—A. Myself and the Chief Engineer.

Q. And you are prepared now to defend this and say it was a wise contract for you to make on the part of the government, the government being in a position to take over the work and having the dredge—the contractor having none—which cost them \$40,000 or \$45,000 to run, whereas they were paid only \$12,000 for the work?—A. Oh no, that is not right.

Q. What in that statement is not correct? You say it is not correct, point out what is wrong in my statement?—A. I believe what the government got for the work of the dredge paid very near their expenses, if not altogether.

Q. I want to see how competent you are as an engineer. Explain what the government got—what they paid in the way of expense, what they paid the contractor, and how much the government got from him?—A. Now the dredge was costing the government approximately \$125 a day working expenses and the government was receiving approximately \$150 a day from the contractor.

Q. So far so good. Tell me the amount the government paid during the time the contract went on and the amount they received?—A. Oh well, I cannot tell you that. Now the 15 cents a yard was first given because another contractor had done the same work at the same price and also it was calculated that the dredge would do about 1,000 yards a day at 15 cents, which means \$150.

Q. How much were the government getting at 15 cents a yard?—A. It got 15 cents a yard.

Q. How much cash did it come to? I will give you the account (producing account). Tell me the total amount the government received?—A. Well, it received \$9,000 for those five months.

Q. Turn over the page and you will see that they received more, they received about \$12,000?—A. Yes.

Q. Now tell how much the government paid for running those dredges, the *Progress* and the *International*, which did that work?—A. I believe that the expenses

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of the dredge which you have there, there are a good many other things included in that.

Q. The expenses of the dredge?—A. Well, charged to the dredge.

Q. There is nothing outside what the dredge cost? Will you contradict the figures I read from the Public Accounts as to what the government paid for the dredges?—A. Oh no, I cannot contradict them.

Q. Will you deny that the cost came to about \$44,000 or \$45,000?—A. No, I suppose it is about that.

Q. Now then, in the face of these figures—

*By Mr. Macdonald:*

Q. I was going to ask in that connection where else did that dredge work in these years?—A. Nowhere else.

*By Mr. Northrup:*

Q. In view of the figures to which I have directed your attention do you adhere to your former statement that the government received more than they paid for this dredging?—A. No, but when the arrangement was made it was calculated that the dredge would bring in for the work as much as she would cost.

Q. Was that your calculation as a practical engineer?—A. It was a calculation, yes.

Q. That is your calculation as a practical engineer? Well you calculated wrong you find out now, did you not.—A. It is possible, everybody is liable to make mistakes.

*By Mr. German:*

Q. For what length of time was this \$12,100 received, for how many days or how many months work?—A. Well, it is mentioned there (pointing to file document).

Q. Because at 15 cents a yard this dredge would earn \$150?—A. Yes.

Q. For seven months that would be \$21,160, if she worked that long. How long did she work?

Mr. NORTHRUP.—She worked three years as a matter of fact.

Mr. REID (Grenville).—In seven months she would earn \$30,000.

*By Mr. Macdonald:*

Q. Whose duty was it to check the amount of work that the government would be entitled to receive?—A. The captain on the dredge. Oh, that the government were to receive? The accounts were made out from the returns that the captain of the dredge sent in here to the department and the accounts were made out from them.

*By Mr. Pardee:*

Q. Do you know how much you paid the contractor under the first contract.—A. No, I could not tell, sir.

Mr. REID (Grenville).—We ought to get this matter Mr. Northrup is asking about straightened out.

*By Mr. Northrup:*

Q. Mr. Valiquet explained that point to us. He has told us about the number of yards per day that should be dug and the dredge was working three years, so that apparently she would have earned about \$90,000.—A. That was the calculation before the arrangement was made, of course.

Q. As a matter of fact, did she do that work?—A. It appears not from these accounts.

Q. Where did you think that work was to be done? Where did you think she was to get all these yards of excavation? Were you so awfully out in your calcul-

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ation as an engineer, that you calculated for \$90,000 and you did actually \$12,000?—A. That is not right, there is no \$90,000 calculated for because in the first contract the total dredging was only about 30,000 yards, that is scow measurement.

*By Mr. Pardee:*

Q. How much?—A. There was only 30,000 yards of dredging under the first contract.

Mr. MACLEAN (Lunenburg).—That is estimated?

*By Mr. Pardee:*

Q. What would that cost?—A. I do not know because the returns do not show exactly what it costs under the different contracts.

*By Mr. Northrup:*

Q. How much would there be in the second contract, how much dredging?—A. How much dredging? It amounts to about 35,000 yards.

Q. That was about 65,000 yards altogether?—A. Yes.

Q. Figure it out and see what the contractors' profit would be on the work he did not do. What did the government receive, 20 cents a yard, when reduced to situ measurement?

*By Mr. German:*

Q. Did the government dredge do all this work, did it take out all these 65,000 yards?—A. Oh, no, there were some other dredges working on it.

Q. That is what I understand, the government dredge was working on it, but it did not take out the whole of this 65,000 yards?—A. Oh, no.

Q. There were three other dredges working?—A. Yes.

Q. One hydraulic and two clam-shells?—A. Yes.

*By Mr. Northrup:*

Q. The government dredge did apparently 80,000 yards, scow measurement; here is the account?—A. According to that account she did, yes.

*By Mr. Reid (Grenville):*

Q. The government dredge did that amount apparently without the assistance of any other dredge?—A. Yes.

*By Mr. Pardee:*

Q. And they got credit for that amount?—A. Yes.

*By Mr. German:*

Q. At 15 cents a yard that amounts to upwards of \$12,000?—A. Yes.

*By Mr. Pardee:*

Q. The government got credit for \$12,120?—A. Yes.

*By Mr. Northrup:*

Q. Did the dumping cost the contractor anything at all?—A. Sure it did.

Q. What did it cost him?—A. I do not know what it cost him.

Q. What would it cost him really to dig it up, dredge it, put it into the scow and tow it over to the filling in place?—A. He paid the C. P. R. on an average 26½ cents for filling.

Q. On this earth that was dug up by the government dredge?—A. Oh, no.

Q. Then, what is the use of dragging that in. I am talking about the work that the government dredge did. The government dredge dug up 80,000 yards for filling the dock?—A. Not at all, that is not so; only a small proportion of it was used for filling.



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Q. Why did he go on dredging after he had finished his contract for dredging just for the purpose of getting earth to fill in the dock?—A. No, no.

Q. You told me again and again that he did. Do you want to change that? I ask you do not the figures that the government paid and the figures that the government was charged show a discrepancy, and you admitted again and again that the contractors dredged outside the contract altogether for the sake of getting earth for the filling?—A. Yes.

*By Mr. German:*

Q. Did they do that dredging with the government dredge?—A. Only a very small portion of it.

*By Mr. Northrup:*

Q. The point I am making is this, after they finished their contract for dredging if they went on dredging uselessly for filling purposes it is a fair presumption that they used the earth they took out for filling?—A. If they could use it for filling purposes at the time they were dredging. At times it would be possible for the scows to go and dump there where it was necessary for filling.

Q. Let me understand, the 75 cents per cubic yard for dredging would include payment to the contractor for dumping somewhere?—A. Certainly.

Q. Certainly, it will have to be dumped somewhere, and if it was so dumped in the filling the contractor was paid 32 cents additional?—A. Yes.

Q. Can you tell us how much of it was used for filling?—A. In the first contract there was 100,000 yards, 192,000 yards of filling was calculated.

Q. And in the second contract?—A. In the second contract there is 156,000 yards of filling.

*By Mr. Macdonald:*

Q. Is this Mr. Dussault, the contractor, the old gentleman from Levis who is very ill?—A. Yes.

Q. He is very ill is he not?—A. Yes, very ill.

Q. Somebody told me that he is so ill he is not likely to recover?—A. He is not expected to live more than a month.

Q. Was this work in connection with the Louise Basin at Quebec?—A. It is just outside the basin.

Q. Was the dredging done in the river outside the basin?—A. Outside the basin.

Q. Where was the filling done that you speak of?—A. Right in the work which was being built.

Q. That is in the dock which was to serve it?—A. No, no, it is in the new wharf, the continuation of the old breakwater.

Q. Where the C. P. R. steamers stop?—A. Yes.

Q. A continuation of the wharf where the C. P. R. steamers now stop?—A. Yes.

Q. And the filling in inside the breastwork?—A. Yes.

Q. So that the dredging would be done in the river and the earth was transferred behind this stone or concrete breastwork?—A. The dredging was done to make the foundation for the crib first, and part of that filling done as the water was deep enough to float the scow.

Filling in, to put behind?—A. Yes, but of course some of the work had to be done.

Q. Let me see now. What plant had the contractor to perform this work; what did he have himself?—A. Of the whole work?

Q. Yes.—A. Oh, he had derricks, clam shells, suction dredge—

Q. A suction dredge?—A. Floating—

Q. Let us take first in regard to the suction dredge. With this suction dredge which the contractor had would he be able to take earth out and deposit in the place where the filling was put?—A. Yes.

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*By Mr. Macdonald:*

Q. The clam shell had to transfer the earth after it was taken up?—A. Had to put it on flat scows.

Q. And move the scows?—A. Move the scows alongside of the work and then clam it from there on to——

Q. What kind of a dredge was the government dredge?—A. A dipper dredge.

Q. And the material that came from it was deposited in the scow and subsequently moved to where it was used for the filling of the dock?—A. Yes, whatever was used for the filling.

Q. So that where filling was being paid for, it was being paid for as the result of material that was brought from the product of the clam shell dredge and of this suction dredge and also of the government dredge?—A. Yes.

Q. Is that it?—A. Yes.

Q. I only want to know the way the work was carried on.—A. Yes.

Q. And 75 cents a yard was paid for this earth when it was deposited in the filling?—A. Oh, no.

Q. I want to know?—A. No, no. The 75 cents a yard was paid for dredging the foundations.

Q. Dredging the foundations?—A. Yes, of the cribs.

Q. Was there a certain amount allowed the contractor for filling besides?—A. The filling, yes. The filling was paid at 32 cents a yard.

Q. Thirty-two cents a yard in addition?—A. Well, in addition, yes.

Q. Well, I assume that if he got material from his own dredging, the price for which was 75 cents a yard, he would put it there?—A. Yes.

Q. Is this \$12,000, which is now being inquired into, for dredging, or is it for dredging and filling, both?—A. It is for dredging principally.

Q. For dredging principally?—A. Yes.

Q. Is there also a portion of it for filling?—A. Yes, very little.

Q. What did you say?—A. Very little. I said one-eighth or one-tenth.

Q. And this \$12,000 covered the dredging as it was performed both by the government dredge and the clam shell dredges, and the suction dredge?—A. No, no. This \$12,000 pays for the government dredge. That is that amount was paid for the use of the government dredge.

Q. As a receipt?—A. Yes.

Q. This item is all receipt, is it?—A. Yes.

*By Mr. German:*

Q. This \$12,000 was for work done in 1907?—A. In 1905.

Mr. REID (Grenville).—But not paid for until this year.

*By Mr. German:*

Q. For the dredge *Industrial*?—A. The *International*.

Q. How long was the *International* engaged?—A. No, that was the *Progress*.

Q. Well, no matter, how long was the *Progress* engaged by the contractors? How long did they have her in their possession?—A. Well, just that season.

Q. Did they have her the whole season?—A. Yes.

Q. How many months would you call the season?—A. Well, they count their season seven months.

Q. Seven months?—A. Yes.

Q. Can you tell us how it was she only dug 80,000 yards in seven months?—A. Well, there was a good deal of loss of time.

Q. Would she dig as much as the *International*?—A. No, not as much.

Q. About how much would the *Progress* dig in a day, how many yards?—A. Probably 500 or 600 yards.

Mr. REID (Grenville).—He said a thousand.

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Mr. GERMAN.—No, the *Industrial* digs a thousand.

Mr. REID (Grenville).—I think he said the *Progress*.

The WITNESS.—No, no, the *International*. ..

*By Mr. German:*

Q. The *International* would dig a thousand yards?—A. Well, from 700 to 900, I said.

Q. And you say the *Progress* would dig about 600?—A. Yes.

Q. That is in a working day?—A. That is during the time she would be able to work during the day.

Q. Well, at 600 yards a day she ought to dig very much more than 80,000 yards in seven months, should she not?—A. I don't know. The loss of time and the repairs and bad weather might account for that.

*By Mr. Sharpe (North Ontario):*

Q. You say the cost to the government was \$125 per day?—A. Approximately.

Q. Approximately?—A. Yes.

Q. And the receipts were about \$150?—A. Yes.

Q. Based on what? How much excavation was dredged, how many cubic yards?—A. Well, 7 to 900 yards.

Q. You said the receipts were \$150. On what basis was that calculated?—A. Well that was before it was estimated.

Q. How many yards formed the basis?—A. That is a thousand yards.

Q. And how much would the contractor receive on that basis for the work?—A. Well he would receive for a thousand yards—

Q. \$750?—A. \$750.

Q. He received 32 cents for filling in where the material was used for filling in? where the material was used for filling in?—A. Yes.

Q. That would be over \$1,000 a day?—A. Oh, in that case the contractor had the expense of lifting—

Q. So that at the time the contractor used the government dredge for dredging he would receive over \$1,000 a day? Is that right?—A. Oh, well—yes.

Q. And allow the government \$150 a day?—No answer.

*By Mr. Middlebro:*

Q. I understand you claim that the reason you let this dredge to this contractor was because the government would receive \$125 per day?—A. Well the expenses of the dredge, that is the working expenses of the dredge were about that—\$125.

Q. And you thought that if you got \$125 a day that would be satisfactory to the government?—A. As long as it did not cost anything to the government.

Q. Now I am going to give you the benefit of the doubt and allow you 20 cents a yard. Twenty cents a yard would earn \$125 which comes to 625 yards. That is right is it not?—A. Yes.

Q. Every dollar represents five yards, that is right is it not?—A. Yes.

Q. Therefore, at \$125 a day she would dig 625 yards a day? That is right is it not? And you got 20 cents a yard for that which makes \$125?—A. Yes.

Q. And the contractor would get 55 cents net, 75 cents less the 20 cents he was paying back?—A. No, 75 cents a yard for place measurement means about 57 cents.

Q. I have given you credit for that. I have given you 20 cents a yard. I have taken off 20 cents which leaves 55 cents net for the contractor. Is that not right?—A. Well the 75 cents was for place measurement.

Q. But I am allowing you 20 cents because of the difference in measurement, that leaves 55 cents net does it not?—A. Yes.

Q. The government themselves are getting \$125 and the contractor at 55 cents is getting \$343, and the government is supplying the dredge, the men and the fuel,



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and the contractor does not receive the difference?—A. I explained that before. I said before that this price was allowed because other prices were comparatively low.

Q. That is what I am coming to. So that the only reason you have for making a present of 55 cents a yard to the contractor is because you think he tendered too cheaply on other items?—A. I don't think that, I am sure of it.

Q. Then the only reason you are giving a present of 55 cents net to this contractor is that you are sure he took a previous job too cheaply?—A. Not a previous job, it is on the same job.

Q. He took a portion of the same contract too cheaply, that is right is it?—A. Yes.

Q. Now, do you think that is letting contracts by competition?—A. I will not discuss that, but as far as we were concerned, the chief engineer and myself, we knew that the average price for the whole work was fair and reasonable, that it was reasonable.

Q. I grant you that, I am accepting your statement; granting that you honestly thought the other portion of the work was let too cheaply, I am accepting your statement on that; but you did not ask for any tenders for the remaining portion of the work, did you?—A. No.

Q. Can you tell me what the contractor did to earn that 55 cents apart from the question of having taken the remaining portion of the contract too cheaply?—A. Well, that was taken into consideration.

Q. Apart from the question of having taken the other portion of the work too cheaply can you tell me anything that the contractor did to earn that 55 cents per cubic yard?—A. Well, he did—

Q. Apart from that question, now keep that out of your mind?—A. He did a lot of other work at cheaper prices than he should have got it.

Q. I mean apart from that, apart from his having taken other portions of the contract too cheaply, did he do anything to earn that 55 cents?—A. Oh, well, of course, he did—

Q. I want an answer, yes or no, you can easily give it, did he do anything else to earn that 55 cents per cubic yard?—A. He had to lift part of the earth furnished by the dredge, to lift it up into the work whenever it wasn't possible to the scow to dump it.

Q. But he got 32 cents per cubic yard for doing that, that does not come in. Apparently he got 32 cents per yard for putting earth down behind the pier.

The Acting Chairman (Mr. McLean).—Haven't you got that all out, it is spread on the record, and you can draw any inferences you like from it. Isn't it a waste of time to pursue this further?

*By Mr. Middleboro:*

Q. I want to know, apart from the question of having taken other portions of the work too cheaply, can this witness say what that contractor did to earn that 55 cents per cubic yard?—A. There was no other reason.

*By Mr. Macdonald:*

Q. Witness said some time ago that the government could not have done all this work themselves, along certain lines. What is your idea about that, witness? Could the government have taken over that work and done the dredging and all the other work involved in carrying out the contract themselves?—A. I do not think they could, it has never been done and the contractor would have the right to come on the government for damages I think.

*By Mr. Northrup:*

Q. That is a legal question. Now, answer the practical question, could the government, having the dredge and scows and everything of that kind, not have done the work?—A. The government can do most anything they wish.

Q. Could they have done that dredging?—A. They could have done it, yes.

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*By Mr. Pardee:*

Q. Could they have done the dredging without taking over all the rest of the work?—A. I do not think they could, no.

*By Mr. German:*

Q. Had they a hydraulic plant at that time themselves?—A. No.

Q. Could they do the work without the hydraulic plant?—No answer.

Q. Do you know the number of yards of material there was in connection with the first contract?—A. Yes, sir.

Q. The contractor puts certain prices for each cubic yard of material in his first tender?—A. Yes.

Q. But he tendered in a bulk sum?—A. Yes.

Q. These tenders were advertised for?—A. Yes.

Q. And he was the lowest tenderer?—A. Certainly he was, yes.

Q. Did the prices which he put in his tender per cubic yard or per cubic foot total the amount of his bulk sum tender? Do you know?—A. I have not calculated that; I think it amounted to more.

Q. More than the bulk sum did?—A. Yes.

Q. That is, calculating at the prices which he put in his tender it would amount to more than the bulk sum did?—A. Those prices were not well balanced, some of them were low and others a little bit high.

Q. Do you know how much more it would amount to?—A. I could not say that, I would have to go over the whole thing.

*By Mr. Pardee:*

Q. You stated a very few minutes ago, in reply to a question by my hon. friend here who made a statement that this dredge made \$1,000 per day—did I understand you in your reply to affirm that statement and to say yes?—A. That the dredge made \$1,000 a day?

Q. Yes?—A. No, I did not.

Q. This question was asked you, 'This dredge made a thousand dollars per day,' and I understand you to say in reply, 'Yes'?—A. No.

Q. Listen now, I know it is there in the evidence, I know I am right, have you any idea how much you would calculate that at all when you answered that question in the affirmative?—A. A thousand dollars a day for the dredge?

Q. Yes?—A. I do not think I said that.

Q. Yes, you did, you said that, I will get the reporter to refer back to his notes because I want that cleared up.

*By Mr. Reid (Grenville):*

Q. I want to ask the witness what was the total amount paid on the first contract on the bulk sum contract?—A. The total amount paid for dredging?

Q. No, for the whole contract?—A. \$198,700.

Q. There were no extras whatever?—A. Yes, I think there were \$500 or \$600 worth of extras.

Q. Just a small amount of extras?—A. Yes, a small amount of extras.

*By Mr. Sharpe (Ontario):*

Q. In answer to some gentleman you said that the expenses of the government dredge were \$125 per day?—A. Yes.

Q. And that the receipts were \$150 a day?—A. Yes.

Q. Approximately?—A. Yes.

Q. On what quantity of excavation was that estimate based upon?—A. On a thousand yards per day.

Q. So that you were estimating that the government dredge would excavate

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1,000 yards per day when you made that estimate? When you said that you were receiving \$150 a day?—A. Yes.

Q. How much were we paying for that amount of excavation?—A. Well, for a thousand yards it would make \$750.

Q. And on all that the government dredge filled in the contractors got an additional 32 cents per cubic yard?—A. Yes.

Q. So that on that basis when the government dredge was employed dredging and filling in they would receive on your estimate over \$1,000 per day?—A. Of course, whenever that happened.

Q. When that happened?—A. Yes.

Q. You would not say it did not ever happen?—A. It may have happened.

Q. You would not say on how many days that may have happened?—A. No.

Mr. CARVELL.—I want to ask some questions in relation to that, I do not think this matter has been fully explained, Mr. Chairman.

Q. This government dredge was not a hydraulic dredge?—A. No, sir.

Q. It is a dipper dredge?—A. Yes.

Q. And when you talk about filling it simply means that the material would be dumped on the scow?—A. Yes.

Q. And then be taken probably in some other way and filled in?—A. Yes.

Q. Was this filling in done by the government or did it require some other operation?—A. Whatever was done in the way of filling from the government dredge was by dumping the scows, as dumpers, into the place where the filling was required whenever it was possible and as the tide suited. When the filling had been done to a certain height, then the tide would not rise sufficient for the scows to be floated down there and in that case, of course, the scows had to be dumped outside wherever the dredging was not required.

Q. And, of course, the contractor would get nothing for that?—A. Nothing at all.

Q. And he got no more for dredging the filling from the government dredge than he got from his own dredge?—A. Not at all.

*By Mr. Maclean (Lunenburg):*

Q. And he could not work the whole day at filling?—A. No, sir.

*By Mr. Sharpe (North Ontario):*

Q. Who owns the scows in connection with the dredge?—A. They belong to the government.

*By Mr. McKenzie:*

Q. I would like to ask the witness if he has any record of the quantities excavated by this government dredge from day to day while it was on that contract?—A. Yes, there is a record in the department.

Q. Can you produce those records?—A. They can be had from the superintendent of dredging.

Q. Why not file them and dispose of this supposititious business?—A. The superintendent of dredging, Mr. Howden, is here with them.

The ACTING CHAIRMAN MR. MACLEAN (Lunenburg).—You can have them if you want them.

Mr. MCKENZIE.—I certainly do want them.

The ACTING CHAIRMAN.—Very well, they can be produced at the next meeting.

Committee adjourned.

## APPENDIX No. 1

HOUSE OF COMMONS,  
COMMITTEE ROOM No. 32,  
WEDNESDAY, March 3, 1909.

The Select Standing Committee on Public Accounts met at eleven o'clock a.m., the Chairman, Mr. A. H. Clarke (South Essex), presiding.

The committee proceeded to the further consideration of the item 'Dussault, E., & Co., services *Progress* dredge and plant, \$12,120,' as set out in the Report of the Auditor General for the fiscal year ending March 31, 1908, under the heading of 'Casual Revenue,' page V—392.

Mr. U. VALIQUET, recalled.

The CHAIRMAN.—Mr. Valiquet is already sworn.

Mr. NORTHRUP.—We are through with Mr. Valiquet's examination; I do not know what there is further to ask him this morning.

Hon. Mr. PUGSLEY.—I wish to examine Mr. Valiquet.

*By Hon. Mr. Pugsley:*

Q. Mr. Valiquet, I was not here when you gave evidence the other day, and I want to ask you if you went fully into the contract which Dussault & Co. had, that is to say, as to the cribwork and dredging, when you gave the terms of the contract. Do you remember whether or not the contract was let by public tender?—A. Yes, sir, it was let by public tender, called for on March 16, 1903, tenders to be received on April 17, 1903.

Q. Now, was Mr. Dussault to receive anything from the government for dredging except when dredging on the crib site?—A. No, sir.

Q. In addition to the dredging on the crib site, was there a lot of other dredging that had to be done by the government?—A. Yes, sir.

Q. That would be, I presume, to dredge the channel and approaches to the pier?—A. Yes, sir, dredging the channel and the approaches.

Mr. NORTHRUP.—I do not object to any investigation as long as we understand where we are, but the item before the committee was not Mr. Dussault's contract, but merely one feature of it, that is the \$12,000 paid to the government for the use of the dredge.

Hon. Mr. PUGSLEY.—This forms part of it.

Debate followed.

*By Hon. Mr. Pugsley:*

Q. In addition to the dredging work which Dussault & Co. had to perform under the contract there was a large amount of other dredging which the government was obliged to do, was there not?—A. Yes.

Q. Including the channel and the approaches to the pier?—A. Yes, sir.

Q. Now, was it subsequent to the making of the contract that an arrangement was made between the department and Dussault & Co. for the use of the government dredge?—A. Yes, it was subsequent to that.

Q. What was the reason, do you know, for the department allowing the use of the government dredge?—A. It was the only dredge in Canada at the time that could



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do the work, and if the contractors had had to furnish a dredge themselves it would no doubt have delayed the work for a considerable time.

Q. Now, let me ask you, if in addition to paying the department for the work done by the government dredge, in helping to dredge the crib sites, did the contractor also pay the government for the material which was dredged in deepening the channel and approaches, with which work Dussault & Co. had nothing to do?—A. The contractor didn't pay the government for any dredging outside the crib sites for the cribs.

Q. You mean the government didn't pay the contractor anything?—A. No.

Q. Might I ask you did the government pay the contractor for material that was dredged outside the crib?—A. Certainly.

Q. Do you remember that when I became minister I looked into that contract and had you before me to explain it?—A. Yes, sir.

Q. Did I ask you to make up for me a statement of the whole amount paid, or to be paid by the government to Dussault & Co. for dredging and also the whole amount paid or to be paid by Dussault & Co. to the government for dredging material?—A. Yes, sir.

Q. And was, or was not this the total result, paid by the department or to be paid by the department for dredging, 65,214 cubic yards, amounting to \$47,020.50?—A. Yes, those are the proper figures.

Mr. NORTHROP.—Is that at 75 cents per cubic yard?

Hon. Mr. PUGSLEY.—\$47,020.50 paid by the government to the contractor.

Mr. NORTHROP.—At what rate?

Hon. Mr. PUGSLEY.—First there was a lump sum contract for dredging \$12,285, and then there was a second contract for 16,500 cubic yards at 75 cents, \$12,375; and then the third contract 18,000 cubic yards at 75 cents, \$13,500; and the fourth contract 11,814 cubic yards at 75 cents, \$8,860.50, making a total of 65,214 cubic yards; and the total amount paid, or to be paid by the government to the contractor \$47,020.50, that is correct, is it not?—A. Yes, that is correct.

Q. Now then, let me ask you if the figures you made up of the amount to be paid by the contractor to the government for the use of the dredge were not as follows: July 16th, 1906, \$15,570?—A. That was the amount that was paid, sir.

Q. That was the amount paid by the contractor to the government?—A. Yes.

Q. July 15th, 1907, \$12,120; 15th July, 1908, \$8,567.50; and then was there not due on the final estimate of the last contract, \$13,275?—A. Yes, that was the amount due.

Q. Making a total paid, and to be paid, by the contractor to the government of \$49,552.50?—A. That is right, sir.

Q. And that left, did it not, a difference favourable to the government on the whole dredging operations of \$2,532?—A. Yes, sir.

Q. That is to say, that in connection with the dredging operations on the crib site and channel the contractor paid and was to pay, \$2,532 more than he received from the department for the dredging on the crib site?—A. Yes, that is correct, sir.

Mr. NORTHROP.—I suppose that the witness has a statement he can give us showing these figures, because no person can carry them in his head and follow the matter intelligently without having a statement before him. This is an entirely different story to what he told us when before the committee on a previous occasion.

Hon. Mr. PUGSLEY.—That is why I am asking the witness these questions.

The WITNESS.—These questions were not asked me when I was here before.

*By Hon. Mr. Pugsley:*

Q. Have you the details here?—A. Yes, sir. I have all the details here in connection with this matter.

Mr. NORTHROP.—I cannot follow the details without having the statement. It is perfect nonsense to expect anyone to do so, nobody can carry all these details in their head.



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*By Mr. Reid (Grenville):*

Q. Here is an account of \$15,570 which the government rendered to the contractor on July 15, 1906; haven't you that there?—A. Yes.

Hon. Mr. PUGSLEY.—Had you better not let me get through with my examination first, Mr. Reid?

*By Hon. Mr. Pugsley:*

Q. Let me ask you this, Mr. Valiquet, does this item of \$12,120, which has been referred to, or does it not form a part of the total amount which the contractor paid to the department in connection with the dredging operations?—A. It forms a certain part of it, yes, sir.

Q. And it forms a part of this total of \$49,552.50 which you have given to the committee?—A. Yes, sir.

Q. Now, will you tell me——

Mr. NORTHROP.—Excuse me, can I have these papers.

Hon. Mr. PUGSLEY.—Certainly, in due course.

Mr. NORTHROP.—It is in 'due course.' I submit, that we should have the papers now, as we are going along, because we cannot follow the minister in his examination of the witness unless we have the statement before us.

Mr. REID (Grenville).—I would like to raise the point of order that we have only before us the item of \$12,120 paid to the government by Dussault & Co. It is now sought to introduce other accounts, an item of July 16, 1906, amounting to \$15,570, and another of the 15th of July, 1908, amounting to \$8,567.50, and another of \$13,275, which are not in the Auditor General's report which has been referred to us. Now unless we have these documents referred to this committee and produced we will not be able to investigate them as we are only supposed at present to be dealing with the item of \$12,120.

Hon. Mr. PUGSLEY.—You will get these papers. The witness was called for the purpose of showing, and it was heralded all over Canada in the new-papers that the government had paid Dussault & Co. 75 cents for doing identically the same dredging for which Dussault & Co. paid the government 15 cents: in other words, that Dussault & Co. had profited to the extent of 60 cents on every cubic yard of dredging which they did. That is the object for which Mr. Valiquet was called by my learned friend who left the witness there. I propose showing that instead of that being the case there was an arrangement made by the engineer in what was believed to be the public interest, under which in addition to paying the government dredge for dredging the crib site that the contractor would also, instead of the government being compelled to carry the spoil out some 3 or 4 miles to sea and deposit it, the contractor would pay the government for the spoil which was dredged in the channel, and the total result was that the government was \$2,532 better off than the contractor under the operation. That is all, it puts a different face on the matter entirely, as my learned friend says, and that is usually the object of a cross-examination.

Debate followed.

Hon. Mr. PUGSLEY.—After I have asked one more question as to the total quantities I would be very glad to have an adjournment in order to give an opportunity to my learned friends to look over the papers and the statement which they are desirous of examining before proceeding further.

*By Hon. Mr. Pugsley :*

Q. Will you tell me, Mr. Valiquet, what was the total quantity of dredging done by the government dredge?—A. By the two dredges?

Q. Yes, by the departmental dredges?—A. 315,150 cubic yards.

Q. The total was 315,150 cubic yards. Now, for how much of that total did the department pay the contractor?—A. The total of that amount was paid at 15 cents.

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Q. No, no, how much of that total was paid for by the department to the contractor—of that total amount of 315,150 cubic yards.

Mr. REID (Grenville).—At 75 cents.

*By Mr. Pugsley:*

Q. No, no. The question I am asking is, is it not true that the government paid the contractor only for 65,214 cubic yards, is that correct?—A. Yes, that is correct.

Q. And for the remainder of that the contractor paid the government for the spoil 2½ cents per cubic yard?—A. Yes.

Q. In addition to the payment for 65,214 cubic yards?—A. Yes.

Q. In other words, it is true, is it not, that the contractor paid to the government for the whole of the spoil of 315,150 cubic yards, while the government only paid the contractor for dredging 65,214 cubic yards?—A. Yes, that is right.

Q. That leaves a difference of about 250,000 cubic yards for which the contractor paid the government, and for which the government did not pay the contractor one cent?—A. Yes, that is right.

Hon. Mr. PUGSLEY.—Now, then, you can have the papers.

*By Mr. Northrup:*

Q. I think you told the minister that you made up the statement upon which he has been examining you today?—A. Yes, sir.

Q. Would you mind having a copy of that statement made?—A. Yes, sir.

Q. There is one other thing I would like—when you brought down the papers the other day you brought down the contract and specifications in English, but the tender was in French, will you kindly let us have a translation of that tender?—A. I did not know that, I thought it was in English all through.

Hon. Mr. PUGSLEY.—Perhaps you will be kind enough to give Mr. Valiquet a memorandum of what you want, and the deputy minister, as Mr. Valiquet is going away, will see that Mr. Northrup gets everything he wants.

*By Mr. Northrup:*

Q. You have just told us there were 260,000 cubic yards of dredging, which the contractor did for which the government did not pay him, but for which the contractor paid the government 15 cents a yard?—A. The government dredges excavated 315,150 cubic yards for which the contractor paid the government 15 cents a yard, the total quantity of excavation.

Q. There is no doubt about that, I am not going to enquire into it, I am only asking you to get me something, but it is a fact that the contractor did 315,000 cubic yards of dredging.

Mr. CARVELL.—No, the government did.

*By Mr. Northrup:*

Q. No, the contractor did, as I understand it?—A. No, not the contractor, but the government dredge.

Hon. Mr. PUGSLEY.—The government dredge took out 315,150 cubic yards.

Mr. NORTHRUP.—The government dredge, but was that done by the contractor?

Hon. Mr. PUGSLEY.—No, it was done by the government.

Mr. NORTHRUP.—I want you to look that up and tell me if it was done by the government, and if the material was handed over to the contractor?—A. I might give you a copy of this statement which I think answers pretty nearly all the questions you can ask.

Hon. Mr. PUGSLEY.—To what date do you want this adjourned.

The CHAIRMAN.—There is a matter fixed for Friday.

The WITNESS.—Mr. Chairman, I would like to go away this afternoon for two days to St. John, N.B. It is very important I should leave tonight.

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The CHAIRMAN.—Make it next Wednesday, will that suit you.

The WITNESS.—Certainly.

The CHAIRMAN.—This matter stands adjourned until next Wednesday.

Witness retired.

## HOUSE OF COMMONS,

COMMITTEE ROOM No. 32,

WEDNESDAY, March 10, 1909.

The Select Standing Committee on Public Accounts met at eleven o'clock, a.m.

Mr. PARDEE.—In the absence of Mr. Clarke, I move that Mr. J. B. McColl take the Chair.

Motion carried.

The ACTING CHAIRMAN.—The matter fixed for to-day is the further consideration of the item, 'Dussault, E., & Co., services *Progress* dredge and plant, \$12,120,' as set out in the Report of the Auditor General for the fiscal year ending March 31, 1908, under the heading 'Casual Revenue,' V—392. The witnesses are Mr. Valiquet and Mr. James Howden.

Hon. Mr. PUGSLEY.—Mr. Chairman, I was pretty nearly through with the examination of Mr. Valiquet. Is he here? If so, I would like to have him recalled, as there are one or two questions I desire to ask him.

Mr. U. VALIQUET, recalled.

*By Hon. Mr. Pugsley:*

Q. I think you prepared a statement giving the history of this contract at Quebec, did you not?—A. Yes, sir.

Q. I think you gave a copy to one of the gentlemen on the other side?—A. Yes, sir.

Q. In addition to the contract for dredging and wharf building, Messrs. Dussault & Co. had a contract—or rather included in that contract was an agreement for back-filling, was there not, in the crib site?—A. Yes.

Q. Do you know where Dussault & Co. got the material for the back-filling?—A. They got it from the banks in the vicinity of the work, near where the wharf was to be built. Quite close to it, some 200 or 150 feet away.

Q. I understand they purchased some from the C. P. R.; do you know where that came from?—A. That came from along the line of the C. P. R., about 32 miles west of Quebec.

Q. Did they get some from W. J. Poupore & Co.?—A. Yes, they got some from W. J. Poupore & Co., and it was taken by dredges in the vicinity of the work also.

Q. And I suppose some of the material came from the crib site where it was dredged?—A. Yes, sir, a certain amount of it, but not a considerable quantity.

Q. Then there is the material you have already spoken of, which was dredged by the government in the channel, to be used, some of it, as well?—A. Yes, sir.

Q. I think you gave the figures the other day as to what they paid the government for that?—A. Yes, sir.

Q. That spoil would otherwise have been wasted, would it not—it would have been taken out to sea and wasted?—A. Yes.

Q. Can you give me the total quantities of back-filling up to such date as you have named and where it came from?—A. The total quantity of back-filling done up to the fall of 1907 was, approximately, 525,000 cubic yards.



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Q. Yes, and where was it obtained—how much from each source?—A. From each source?

Q. Yes? Do you know the quantity that came from the C. P. R.?—A. Approximately, 80,000 yards.

Q. And how much from the Poupore Company?—A. From the Poupore Company? The statement states that 20,000 cubic yards were procured from them, but the actual quantity was a great deal more than that. I was under the impression at the time that statement was prepared that only one of their dredges had worked there, but I have since been informed that two dredges were working there, and the quantity of filling done by the W. J. Poupore Company would be, approximately, 80,000 cubic yards.

Q. And how much by the contractor's own plant?—A. The contractor's own plant would be about 200,000 cubic yards.

Q. And do you know how much material dredged by the government dredge in the channel was used?—A. The government dredge furnished, approximately, 150,000 cubic yards.

Q. 150,000 cubic yards, yes, and then you gave us the figures of 315,150 cubic yards of dredging which was done by the government dredge?—A. Yes, sir.

Q. There must have been considerable material which was lost, not used for back-filling?—A. Yes.

Q. And for that the Dussault Company pay the same figure, 15 cents per cubic yard, to the government?—A. Yes.

Q. Do you know how it was that that was not used in back-filling?—A. Well, some of it had to be taken up twice by the dredges. It is all paid for at 15 cents per yard, and some of it had to be re-handled on account of having fallen into the trench from the back-filling, and also from the banks of the trench, and all that re-handling was paid for at 15 cents per yard.

Q. How did Dussault & Co. utilize the material which was dredged by the government dredge? How did they handle it?—A. It was put back in other parts where filling was required.

Q. Yes, but did they have to take it out of the scows by means of any machinery?—A. Yes, it had to be taken up by the dredges into the scows and handled by derricks along the wharf where it was to be used as filling.

Q. And do you still adhere to the statement that Dussault & Co. paid the government for the dredging done by the government dredges something over \$2,000 more than the government paid the contractor in respect of that dredging?—A. Yes, sir, \$2,500.

Q. That, of course, leaves out of consideration the question of what the government paid for back-filling?—A. I may also state that part of the back-filling was procured from other dredges which were working for the Harbour Commissioners in the Louise basin—in fact in both basins—for which the contractor paid nothing at all. That material was put into the work because it was considered cheaper for the Harbour Commissioners to dump it there than to take it outside.

*By Mr. Sharpe (Ontario):*

Q. How much was that quantity?—A. That quantity would be about 30,000 cubic yards.

*By Hon. Mr. Pugsley:*

Q. Were you in charge of this work from the commencement?—A. Yes, sir.

Q. Now, I want to ask you whether, in your judgment, that was a fair and just arrangement as between the government and the contractors as to the dredging?—A. I believe it was, yes.

Q. How long did that arrangement continue?—A. It continued from the spring of 1904 until the fall of 1907.

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Q. Then, beginning with the season of 1908, I understand there was another, a different arrangement made, was there not?—A. Yes, sir.

Q. Do you know the reason why there was a change made in the arrangement?—A. Well, I could not very well state the reasons, the whole reasons.

Q. It was made at my direction, as minister, was it not?—A. Yes, sir.

Q. And since that time the contractor has been paying a daily hire for the dredge and tug?—A. Yes, sir.

Q. Do you remember how much per day?—A. \$200 per day for the dredge and \$40 per day for the tug.

Q. That is \$240. Well, do you, or do you not know, Mr. Valiquet, that beginning with the season of 1908, there would be a larger proportion of dredging from the crib site to be done?—A. Yes, sir, far larger.

Q. There would be far larger. Did I state my opinion to you that it would not be equitable to continue the old arrangement?—A. That is right.

Q. In view of the increased quantity which would be dredged from the crib site, and in consequence of that the arrangement was made under which the contractors paid \$240 per day for the dredge and the tug?—A. Yes.

Hon. Mr. PUGSLEY.—That is all I have to ask, Mr. Valiquet.

*By Mr. Northrup:*

Q. Will you please look at page 6 of this statement which you handed in at the last meeting—take page 5; it appears from that that the government paid the contractors \$47,090.50, is it?—A. \$47,020.50.

Q. That is for dredging 65,214 cubic yards, is it not?—A. Yes.

Hon. Mr. PUGSLEY.—Just one moment, Mr. Northrup; I want to ask one question further.

*By Hon. Mr. Pugsley:*

Q. Was that payment of 75 cents per cubic yard for material in situ or scow measurement?—A. In situ.

Q. That would be equivalent in scow measurement, according to the ordinary expansion?—A. It would be equivalent to 56½ cents, scow measurement.

*By Mr. Northrup:*

Q. The government paid \$47,020.50 for 65,214 cubic yards dredging done for the crib sites?—A. Yes.

Q. Will you look at page 7 of that statement, at the top; you state that the total dredging done by the government dredges was 315,150 cubic yards?—A. Yes.

Q. And material dredged by government plants and used as filling was 209,000 cubic yards?—A. Yes.

Q. For that filling I believe 32 cents per cubic yard was paid, was it not?—A. Yes, sir.

Q. Will you tell me how much 209,000 cubic yards at 32 cents per cubic yards would be?—A. This 209,000 cubic yards is not nearly correct.

Q. Never mind about that now, you can correct that afterwards. The 209,000 cubic yards at 32 cents would be how much?—A. 209,000 cubic yards at 32 cents?

Q. Yes?—A. That would be—

Q. \$66,880, I make it?—A. Yes.

Q. If you add the \$66,880 to the \$47,020.50 that the government paid for dredging, how much would that give you?—A. Add \$47,020?

Q. And \$66,880?—A. \$113,900.

Q. \$113,900 I make it?—A. That is \$113,900.50.

Q. Now, those figures I have just used, the 209,000 cubic yards, were given by you on the last day you were here, were they not?—A. Yes.

Q. In that prepared statement which you handed in?—A. Yes, sir.



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Q. The statement which you prepared for the minister?—A. Yes.

Q. Before that you were here and were examined, were you not?—A. Yes, sir.

Q. But you were not satisfied with the result of that examination, and you came back to give the minister a full, detailed statement, is that correct?—A. Well, this statement had been prepared some time before that.

Q. You say that it had been prepared some time before that?—A. Yes.

Q. Before your first examination?—A. Yes, part of it; it was remodelled after the first examination, but the figures remained the same.

Q. The date of that statement was what?—A. The first statement?

Q. The statement that you handed in the other day, of which I have a copy here?—A. That is dated March 1, 1909.

Q. That was made in order to give us the correct figures, was it not?—A. Yes—

Q. Taken from the records of the department?—A. Yes, the whole history of the work.

Q. And after carefully making up your statement, you come to 209,000 cubic yards as the amount of the dredging used for filling?—A. As I stated before, that is not exactly correct.

Q. I am coming to that; but after making up the figures from the books of the department these are the figures you gave us?—A. Yes.

Q. How did you arrive at the figures?—A. By taking the total quantity of filling done up to the fall of 1907 and taking off that the filling done by different parties who worked at it, subtracting from the total quantity the amount which was done by the different firms, that left a certain quantity which was done by the government.

Q. Did not your books show how much the government had been paid for?—A. Oh, yes. We have the estimates that show how much had been paid for.

Q. You had been paid for then, on the basis, according to your books, of 209,000 cubic yards?—A. Yes, that is for filling.

Q. Your books showed you had been paid on the basis of 209,000 cubic yards which had been used for filling?—A. Approximately.

Q. Then, if you come to-day and say that only 150,000 cubic yards were used for filling, your books would show that you had been paid too much?—A. That amount of 209,000 cubic yards was not taken out of the books at all. We have taken from the estimates the total amount—I do not know, but I think I have all the estimates here, and it shows that the total amount required for the filling is 559,000 cubic yards; that is the total amount of filling required.

Q. Then you add the total amount of filling by the C. P. R., by Poupore & Co., by the contractors and by the government dredges?—A. Yes.

Q. Now, that was all taken from your books, was it not?—A. From the books and estimates, yes.

Q. Now, I come back to the question I asked before. Do your books show that you paid the contractors for 209,000 cubic yards of filling?—A. There are no books kept for that purpose, the estimates tell the whole story.

Q. Well, do the estimates show that you paid them for 209,000 cubic yards?—A. They show we have paid them a great deal more than that.

Q. They show you have paid them a good deal more than 209,000 cubic yards?—A. Yes.

Q. What will your estimates show that you have paid this firm of contractors for the filling in?—A. They show that we have paid so far for 525,000 cubic yards.

Q. How much do your estimates show you paid them for filling by the government dredge?—A. The estimates do not show that at all; we have not kept account of that at all.

Q. You have not?—A. No.

Q. So that when you tell us that it is 209,000 cubic yards or 150,000 cubic yards, it is a conjecture?—A. Yes, that is deduction.

Q. It is equivalent to conjecture?—A. It must be pretty nearly correct.

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Q. You know that you paid them for 500,000 odd cubic yards?—A. Yes.

Q. There is no doubt about that. And you know that they have paid the government for dredging 315,000 cubic yards?—A. Yes.

Q. And you say that a certain amount of that dredging material has gone astray?—A. Yes.

Q. How do you arrive at that figure, is that conjecture, too?—A. That is deduction from the figures.

Q. On your oath to-day can you swear how many yards of the 315,000 yards that were dredged went into this work?—A. No, I cannot.

Q. You cannot?—A. No.

Q. Then we are back again to where we started. You have figured already that 200,000 yards at 15 cents would come to \$66,000, was it—the 209,000 yards at 32 cents per yard come to \$66,000?—A. Yes.

Q. And you have just told me you cannot tell how many of the 315,000 yards dredged out were used for filling in?—A. No, we cannot tell exactly.

Q. Can you tell me exactly how much the government has paid these contractors for the filling done by the government dredge?—A. No.

Q. Would you swear that the government had not paid them for 200,000 cubic yards dug by the government dredge?—A. I cannot say anything about it.

Q. If you take your own figures, given us the last day you were here, they will show that the government have paid this firm \$113,900, is not that right? That is on the figures you gave us the last day you were here—for dredging done—the government paid them \$113,900 for work done by the government dredges?—A. Well, approximately, yes.

*By Hon. Mr. Pugsley:*

Q. Now, for the work done by the government dredges, the witness said for dredging and back-filling?—A. For both.

Q. But it was not all done by the government dredges, because the witness swears that the contractors rehandled it.

*By Mr. Northrup:*

Q. So that the government—I do not want to misrepresent you—the government, according to your own figures, would have paid these contractors \$113,000 for the dredging they did, and for the material that was used for filling in that came from the government dredge.

Hon. Mr. PUGSLEY.—Not at all; it is not for the material that the government paid, it is for the back-filling. He has sworn that the contractors put labour on it; they had to rehandle it.

Mr. SHARPE (Ontario).—That was for the labour and for the material.

Hon. Mr. PUGSLEY.—You must put the labour and material together.

*By Mr. Northrup:*

Q. The government was to pay these people 75 cents per cubic yard for dredging?—A. Yes, for dredging.

*By Mr. German:*

Q. That is for the crib sites only?—A. Yes.

*By Mr. Northrup:*

Q. Then the government was to pay them 32 cents per cubic yard, scow measurement, for filling in?—A. Yes.

Q. And the government, for dredging and for filling in material, dug up by the government dredge, paid the contractors \$113,000, did they not?—A. Approximately.

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Q. The government having paid them \$113,000, look up your statement and tell me how much they paid the government for the use of the dredge which dug up all this material?—A. But it cannot be taken in that way at all.

Q. My question can be answered. How much did the contractors pay the government for the use of the dredges *Progress* and *International* which dug up all this material?—A. They paid \$49,500.

Q. Then when you stated the other day, and you repeated it to-day, that the government was \$2,000 ahead, were you correct?—A. It was correct, with regard to the dredging it was correct.

Q. Well, now, we will get at that. Here are your figures; you say the government was \$2,000 ahead on the dredging. Now tell me how much the contractors paid the government for dredging? I want you to make up the items for dredging. That would be 65,000 yards of dredging, would it not?—A. The government paid for 65,000 yards, yes.

Q. And the contractors only paid the government for the use of their dredge for 65,000 yards of dredging, is not that so?

HON. MR. PUGSLEY. No, he has not said that, he has told us it was 315,000 yards.

*By Mr. Northrup:*

Q. There were two items, were there not, that we have been discussing?—A. Yes.

Q. One is for dredging, for which 75 cents per cubic yard was paid in situ, is that correct?—A. Yes.

Q. And the other item was for filling in, is that correct?—A. Yes.

Q. We will consider these separately. The first is the item of dredging; there were some 65,000 cubic yards of dredging, were there not?—A. Yes.

Q. How much was paid for that by the government?—A. That was paid by the government to the contractors.

Q. How much was paid?—A. \$47,020.

Q. And how much was paid by the contractors to the government for that work?—A. The contractors paid \$49,552.

Q. Not for that work, not for 65,000 yards?—A. No.

Q. I am putting the question as fair as I can. How much was paid by the contractors to the government for that work, 65,000 cubic yards? You know 15 cents per yard was the price?—A. Well, but that is just for material for filling.

Q. Do not bother about that, just answer my question?—A. What was the total amount that the contractors paid to the government for dredging, for the use of the dredges? It was \$49,552.

Q. I want to get this correct. You have told us that the government paid these contractors for 65,000 yards of dredging. I am asking you a simple question. How much did the contractors pay the government for the use of the dredge to dig up that 65,000 yards?—A. The contractors paid the government for the dredging of 65,000 yards. They were paid \$47,020.

Q. Do you swear that?—A. That is all they paid.

Q. Is that your oath?—A. That is all.

Q. Is that your oath, sir? I am getting tired of this nonsense. Is that your oath that the contractors paid the government \$47,000 for the use of the dredges to take up the 65,000 cubic yards?—A. Oh, no, they got the whole quantity that they dredged.

Q. I should say so. I am trying to get the particulars of how much the contractor paid the government for dredging this 65,000 yards.

HON. MR. PUGSLEY.—He has told you that.

MR. NORTHROP.—He has not; he will answer the question if he stays here all the week.

*By Mr. Northrup:*

Q. I am asking you how much the contractors paid the government for dredging those 65,000 yards?—A. I cannot tell you that.



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Q. Didn't they pay 15 cents per yard?—A. Yes.

Q. Figure it out then and tell me?—A. They paid more than 15 cents per yard, because it was measured on the scows.

Q. I know that. Figure it out and tell me how much the contractors paid the government for the use of that dredge to dredge the 65,000 yards in situ?—A. They paid \$9,750 for the 65,000 cubic yards.

Q. That is to say, for the dredging part of the work, for which the government was paying 75 cents per cubic yard, the government paid \$17,000 and they received \$9,000, is not that correct?—A. For that part of it alone.

Q. I am only asking you about that part; is that correct?—A. Yes, that is correct.

*By Mr. German:*

Q. That would be 20 per cent extra over in situ?—A. Not only that, but this 65,000 would have to be increased by 33 per cent, which would make about 86,000 cubic yards to be paid for at 20 cents.

*By Mr. Northrup:*

Q. Paid at 20 cents?—A. Yes.

Q. You cannot add both ways. Surely you do not add to the price and also the number of yards? That is only when figuring for contractors; you cannot do that with us, Mr. Valiquet?—A. No, that would be \$12,900.

Q. That \$12,900 would be the sum total that the government received for the use of their dredge to dredge out 65,000 cubic yards, is that correct?—A. That was not the arrangement that was made.

Q. Do not bother about that—is that correct?—A. That would be correct.

Q. And the contractors received \$47,020 in the same way, is that correct?—A. Yes.

Q. Now, then, take another point. We had another item in the contract, filling at 32 cents per yard, did we not?—A. Yes.

Q. How much was the government paid by the contractor for the 200,000 cubic yards that you say were dug up?

Mr. SHARPE (Ontario).—209,000 cubic yards.

*By Mr. Northrup:*

Q. Do not conjecture. Can you tell me from your books the amount?—A. The quantity is not 209,000 cubic yards, as I stated a moment ago; it is only approximately 150,000 yards.

Q. Well, take it at 150,000 yards, in the meantime, at 32 cents?—A. That makes \$48,000.

Q. That makes \$48,000 that the government paid the contractor for filling in. Now, how much did the contractor pay the government for the work of the government dredge, getting that material?—A. Approximately, about one-half of it.

Q. How much did they pay?

Hon. Mr. PUGSLEY.—He said approximately one-half.

*By Mr. Northrup:*

Q. How much would that be?—A. That would be, calculating at 20 cents per yard—

Q. It would be 32 cents per yard, would it not?—A. Yes. Well, at 32 cents it would be \$48,000.

Q. That is \$48,000 that the government paid the contractor, and the contractor had paid the government, you have just told me, for the work, how much?—A. About \$30,000.

Q. The contractor has paid the government about \$30,000 for the work.

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*By Hon. Mr. Pugsley:*

Q. Did you figure that at 20 cents per yard?—A. Yes.

Q. Explain why you figured it at 20 cents?—A. Well, that would be because—

Mr. SHARPE (Ontario).—You are confusing dredging and filling?—A. No, that is the dredging which was used for filling; I am figuring that at 20 cents a yard—

*By Mr. Northrup:*

Q. Why figure that at 20 cents per yard; the government was only paid 15; why do you figure it at 20?—A. Yes, that was scow measurement.

*By Hon. Mr. Pugsley:*

Q. That will be \$22,500?—A. Yes, \$22,500.

*By Mr. Northrup:*

Q. That would make a difference of how much on that?—A. \$15,500.

Q. That is the difference between \$22,000 and \$18,000, does that make \$15,000?—A. \$15,500.

Q. \$15,500? I make it \$25,500?—A. Yes, \$25,000.

Q. So that there was \$25,000 which the contractors got more than they paid the government, and on the dredging proper of \$65,000 yards that you have already told us about there was how much?—A. Over what?

Q. The difference between what the contractors got and what they paid on the 65,000 yards?—A. Do you mean this \$25,500.

Q. I am not talking about that at all, that would be the difference on the 300,000, the 209,000 or the 150,000 cubic yards, as you put it. But come back to the 65,000 yards of dredging, and figure out the difference between what the government received for the 65,000 cubic yards of dredging and what they paid for it?—A. They received for the dredging of the crib site, \$12,900.

Q. Deduct that from the \$47,020, and that will give the difference there?—A. That is \$35,800.

Q. How much?—A. \$35,800.

Q. Then add the two together and tell me how much more, on the two items, the government paid than they received?—A. \$70,000.

The CHAIRMAN.—\$60,000.

Hon. Mr. PUGSLEY.—\$25,000 and \$35,000?—A. Approximately, \$60,000.

*By Mr. Northrup:*

Q. Then, will you still stand by what you told the minister the other day, that taking all these figures and adding them up that they make a difference, favourable to the government on the whole dredging operations, of \$2,500—do you stand by that?—A. The whole dredging done by the government dredges gave a return of \$49,552, and the whole that the government paid to the contractors for dredging was \$47,020.

Q. And therefore you said it left a profit to the government on the work of over \$2,000?—A. Yes.

Q. Do you still stand by that?—A. Yes.

Q. Stop for a moment and think; you are on your oath. You are still standing by that, and is it not a fact that you have just told us that in the sum the contractor paid the government was included this 150,000 or 209,000 cubic yards, that is the case may be, of dredging done for another purpose altogether, to get material. Is not that so?—A. Yes, approximately.

Q. So that you put one item against the other; and that is a fair comparison, is it? Do you think now it is, in the face of what you have told us this morning?—A. I cannot get away from the figures I made up before. We received \$49,000 and we paid \$47,000.



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Q. And do you say you received \$49,000 for the same work you paid \$47,000 for?—A. It is not for the same purpose, no, but it is all for dredging.

Q. You have already told us that the contractors on the amounts paid them for dredging and filling in received from the government over \$60,000 more than they paid?—A. But as they—

Q. But is that correct?—A. Yes, that is correct.

Q. Now, as to the value of this dredging, did you ever happen to see a statement made by your Chief Engineer, Mr. Lafleur, as to what that work should be worth? Have you ever seen the statement prepared by him?—A. No, sir.

Q. Dated February 12, 1903—his estimate?—A. I do not remember seeing it.

Q. You had better look at this; I do not want to misrepresent it. This is a paper brought in by the department. It seems to be a report from the Chief Engineer, Mr. Lafleur, to the Hon. Mr. Sutherland, acting minister. Please look at it (handing document to witness), and see if it is an estimate made by the Chief Engineer in 1903, before the work was commenced. Look at the last item and tell me how much he estimated that the dredging and filling would cost. You can see what that is, can you not, Mr. Valiquet? Am I correct in saying that is an estimate made by the Chief Engineer to the acting minister of the cost of the work before the work was commenced?—A. Yes.

Q. What does the Chief Engineer, Mr. Lafleur, estimate the dredging and the earth-filling to cost?—A. It is stated here at 25 cents per yard.

Q. Twenty-five cents per yard for dredging and filling?

Mr. SHARPE (Ontario).—For both?

Mr. NORTHRUP.—Both are put together here.

*By Hon. Mr. Pugsley:*

Q. How long before the tenders were called for was that estimate made?—A. That must have been about—it is dated February—some four months before tenders were called.

*By Mr. Northrup:*

Q. Four months before the tenders were called for that is what the Chief Engineer of the department estimated the dredging and earth-filling should cost. Would you kindly look at the statement prepared the other day, Mr. Valiquet—

Mr. NORTHRUP.—This estimate seems to be an important document, and I will put it in.

(Document filed as follows):—

## DEPARTMENT OF PUBLIC WORKS,

## CHIEF ENGINEER'S OFFICE,

OTTAWA, February 12, 1903.

SIR,—In compliance with your instructions, I have had prepared and now have the honour to transmit a plan showing the sections of two different wharfs which might be built in the harbour of Quebec at Pointe à Carey.

Section No. 1 shows a concrete superstructure on cribwork foundation, the timber used in the foundation, which is carried up to two feet above extreme low water spring tides, being spruce. The embankment to be made of dredged material is 110 feet wide, with a back slope of one in one, protected by stone riprap. The estimated cost of this section is \$312.33 per running foot.

Section No. 2 is for a wharf built entirely of spruce or hemlock timber. Its cost per running foot is placed at \$301.38. If pine timber is substituted for spruce in the upper 18 feet of the structure, the cost per running foot would be increased to \$323.

It will therefore be seen that the cost per lineal foot of a wharf with a concrete

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superstructure is only \$11 in excess of a wharf built entirely of spruce or hemlock, and less by \$11 than that of a wharf with a pine superstructure.

It is evident that a concrete superstructure would ensure permanency and a lesser expenditure for maintenance.

At the prices above mentioned the cost of 500 feet of wharfage would be as follows:—

Concrete superstructure on cribwork foundation.. . . .	\$156,165
Cribwork wharf built entirely of spruce or hemlock.. . .	150,690
Cribwork wharf with spruce or hemlock foundation and pine superstructure.. . . .	161,500

The above estimates per running foot are based upon the following prices which, in my opinion, are fair and reasonable:—

Spruce or hemlock, \$15 per M., B.M.  
Pine, \$40 per M., B.M.  
Oak, \$50 per M., B.M.  
Stone-filling and riprap, 90c. per cubic yard.  
Concrete, \$7.50 per cubic yard  
Iron, 5c. per pound.  
Dredging and earth-filling, 25c. per cubic yard.

I have the honour to be, sir,  
Your obedient servant,

(Sgd.) EUGENE D. LAFLEUR,  
*Acting Chief Engineer.*

Hon. JAMES SUTHERLAND,  
Minister of Public Works, Ottawa, Ont.

*By Mr. Northrup:*

Q. Will you please look at page 6 of the statement you gave the other day, Mr. Valiquet, and near the top of the page it reads: 'Number of yards excavated and paid by the contractors, *International*, May 2 to July 16, 1904,' is that correct?—A. Yes.

Q. How many days would there be between May 2 and July 16? Perhaps if you will go back in your own statement you will find it figured out on page 3?—A. The total number of days which the government dredge worked there during that year was, including the work in October and November, 67 4-5 days for the whole year.

Q. Now, let us see how that will work out. In the month of May how many days would that be—you can leave the Sundays until later on—starting on May 2, how many days would there be in the month of May? That would be every day but the first—30 days in May?—A. Yes.

Q. In June there would be 30 days?—A. Yes.

Q. In July there will be 16 days?—A. Yes, that is altogether, counting Sundays.

Q. I told you we would count the Sundays later on. That would be 76 days, would it not? Eleven weeks, a little under, would it not?—A. Yes.

Q. You would not have more than eleven Sundays in eleven weeks, would you?—A. I do not think so.

Q. Deduct eleven from 76 and that will give the number of working days, will it not?—A. Yes.

Q. That gives sixty-five days, does it not?—A. Yes.

Q. Now, let us take October, beginning on October 25: how many working days would there be in that month—seven days?—A. Yes.

Q. And in November down to the 22nd would be 22 days, which with seven days in October would be 29 days, would it not?—A. Twenty-nine days approximately.

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Q. There will be four Sundays to come off?—A. Yes.

Q. That will leave us 25 days?—A. Yes.

Q. And 25 days and 65 days make together 90 days, do they not?—A. Yes.

The dredge was working for 90 days, apparently, and the contractor is charged for—

Hon. Mr. PUGSLEY.—That is not right.

The WITNESS.—She worked for 67½ days during that year.

Hon. Mr. PUGSLEY.—Your question, Mr. Northrup, is wrong when you say that the dredge was apparently at work for 90 days. He does not say she was apparently at work for 90 days.

*By Mr. Northrup:*

Q. She was there for 90 days, outside of Sundays, apparently. But you say she only worked 67½ days?—A. And that is what is charged for.

Q. I suppose the wages of the crew would be going on all the time, would they not?—A. Yes.

Q. And the charges for fuel would be going on all the time?—A. Yes, of course the expenses would be running all the time.

Q. What did that dredge cost, the *International*?—A. How do you mean?

Q. What was the original cost, the purchase money, whatever you call it?—A. I think it was \$125,000, including the tug and the scow.

Q. And what did the *Progress* cost, the other dredge?—A. I cannot tell.

Q. I have a statement from the department that she cost about \$74,000 or \$75,000, would you say that is about correct?—A. I suppose it is.

Q. That will be about correct, and these were the two dredges that were used. Now the figures you gave me on page 6 show that \$11,000 odd were earned by the *International* in the year 1904, is not that so?—A. Yes.

Q. Then look above on the same page, is it a fact that the first payment made by the contractor to the government was in July, 1906?—A. Yes.

Q. And the next payment made by the contractors to the government was in July, 1907?—A. Yes.

Q. And the next payment was in July, 1908?—A. Yes.

Q. And these payments were for work done by the government dredges from one year to two years before the payments were made?—A. Not quite two years.

Q. I said from one year to two years?—A. Yes.

Q. So that the contractors had the interest on this money in the meantime?—A. But in the meantime the government also had more money held from the contractors which was lying idle.

Q. I am not asking you about that.

Hon. Mr. PUGSLEY.—That is a fair answer to the question.

*By Mr. Northrup:*

Q. These sums that the contractors were liable to pay to the government were not paid until from one to two years after they were earned? Is not that true?—A. Yes.

Q. And in order to make up the sum of \$19,000 paid by the contractors to the government for the use of the government dredge, you have put in the sum of \$15,000 that has not been paid yet?—A. \$13,000.

Q. \$13,275 that has not been paid yet?—A. Yes.

Q. You are assuming that it will be paid?—A. Why, sure, it will be paid, because we still owe the contractor some \$23,000.

Q. That will be paid when you straighten up with him?—A. We are holding \$23,000 from the contractor and he holds \$13,000 from us.

Q. While the *International* was doing this work she had a lot of repairs put on her, did she not?—A. Yes, that was all included in the expenses.

Q. While the *International* and *Progress* were doing this work they had some



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repairs put on them, did they not?—A. Yes, but all those repairs are included in the expense.

Q. Now, I suppose these repairs were, owing to a certain extent to the work they were doing in this dredging, were they not?—A. Partly.

Q. I think a dredge is not improved by digging 300,000 yards; it would be natural to say that, would it not?—A. Yes.

Q. Now, when you began this contract, when you began the work on the first contract, it was for a lump sum of \$198,000, was it not?—A. Yes.

Q. There was no price for dredging or filling in; it was just a lump sum?—A. Yes.

Q. And as the work went along is it not a fact that the government engineer had to make estimates, from time to time, of the value of parts of work done in order to make advances to the contractors?—A. Yes.

Q. Now, when the government engineer was estimating the value of work done, under the lump sum contract, how much did he value the dredging at?—A. It is put in the estimates at 65 cents a yard.

Q. If the government engineer had estimated the dredging as being worth 75 cents a yard, that would have run the contract up higher than it was, would it not?—A. It would if all the items were calculated in proportion.

Q. But if the other items were left exactly as they were, had the government engineer in making up his estimates on the first contract allowed 75 cents a yard on the dredging, that would have run the contract over the \$198,000, is not that correct?—A. Yes, that is correct.

Q. When you made the second contract you adopted the schedule of prices attached to the first contract, did you not?—A. Yes.

Q. Then, the price for dredging came to 75 cents per yard, in situ, is that correct?—A. That is correct.

Q. At that time the contractor was to furnish the dredge, scows, tugs, everything for that sum, is that correct?—A. Yes.

Q. Then it was found out that the contractor could not do the work, that he had not a dredge that could do it, was that the case?—A. He could have done it, but it would have taken a little longer time.

Q. And would have cost him a little more money?—A. It would not have cost as much to him.

Q. Is there any other dredge in Canada could have done that deep dredging?—A. Not a dipper dredge, no.

Q. So that he could not have done it without your dredge?—A. He could have done it with clam-shells.

Q. But it would have been vastly more expensive?—A. It would not have been as expensive, but it would have taken a great deal longer time.

*By Hon. Mr. Pugsley:*

Q. It would have been done at less cost to the contractor?—A. Yes.

*By Mr. Northrup:*

Q. Then the time came when the contractor was not able to complete his contract within the proper time unless he got the government dredge, is that correct?—A. Yes.

Q. And you agreed to let him have the government dredge, first, for \$150 per day?—A. Yes.

Q. In this statement you have given us, on page 3, you explain how it was you came to change the contract from \$150 per day to 15 cents per cubic yard.

Hon. Mr. PUGSLEY.—Let me make a suggestion. You, Mr. Northrup, are reading from this statement; would it not be well that the statement should go on the record. Mr. Valiquet says that it is a correct statement of the matter.

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WITNESS.—Yes, it is approximately correct.

Hon. Mr. PUGSLEY.—And it would enable us all to understand it.

Mr. NORTHROP.—My objection to that is that Mr. Valiquet says that it is incorrect in some respects. He has changed it now.

Hon. Mr. PUGSLEY.—I do not think it has been changed in any material particular. Then it is understood that the statement will go on the record, is it, Mr. Chairman?

The ACTING CHAIRMAN.—Yes, it becomes part of the record.

(Statement filed, as follows):—

## DEPARTMENT OF PUBLIC WORKS,

OTTAWA, March 1, 1909.

MEMORANDUM *re* CONTRACT OF DUSSAULT & LEMIEUX, AND DREDGING CONNECTED THEREWITH.

*History of the Case.*

In order to provide accommodation for large ocean steamers in the harbour of Quebec, the department decided, at the request of the Harbour Commissioners, to build an extension, in a northerly direction, of the old breakwater on the river front of the harbour.

On March 16, 1903, public tenders were called for in the usual manner, to be received on April 17, 1903. The work was to be done according to plans and specifications, which stated that the price mentioned in the tender was to be a lump sum, for which the intending contractor was to do all the works specified and shown on the plans, including the dredging of crib sites to a depth of 46 feet at low tide and all filling at the back of the cribs for a width of 150 feet.

The specification also called for schedule prices for each of the different classes of materials to be used in the works, also for dredging of crib sites per cubic yard in situ. Those schedule prices, as stated in the specification, were to be applied to all additions to, or deductions from, the quantities of materials which the department might choose to make after the contract had been awarded, and during the progress of the work at any time.

The contract was awarded to the lowest tenderer, Messrs. Dussault & Lemieux, of Lévis, Que., for the bulk sum of \$195,700. The schedule list of prices asked for was attached for all materials, amongst which the price for dredging was set at 75 cents per cubic yard. The contract was signed on May 8, 1903.

The work was started immediately on the construction of the cribs.

The difficulty met with by the contractors was the dredging of the crib sites, as no dredge existed in Canada at that time, with the exception of the government dredge *International*, that could work in a depth of 46 feet, with the additional disadvantage of tidal rise of 8 feet, which meant 64 feet at high tide.

During the fall of 1903 and following winter, when the works were stopped, the contractors urged upon the Minister of Public Works the necessity of obtaining the services of the government dredge *International* in order to enable them to proceed with their contract. The Harbour Commissioners were also anxious that the wharf be completed as soon as possible. The matter was referred to the chief engineer, who, after consulting with the superintendent of dredging, recommended that the dredge be rented to the contractors at the rate of \$150 per day, which price was considered as more than ample to cover all expenses, including repairs.

*Dredge 'International' at Quebec.*

The dredge started to work for the contractors on May 21, 1904, and continued until July 16. During this time but little of the dredge material was used as filling, as the first permanent crib was not sunk until June 26.

The dredge left Quebec for Pentecost, returning to Quebec in October, her services not being required at any other place; she again resumed work for the contractors on



the 25th, and continued until November 22, 1904, furnishing filling to protect the crib-work from the winter ice, at the last date mentioned cribs forming a total length of 470 feet had been sunk, thus affording considerable space for back filling.

During the season of 1904, this dredge worked for the contractors 67½ days at \$150 per day, \$11,450 (see Auditor General's Report, 1906, p. V—25). Material excavated, 61,000 cubic yards.

The working and maintenance expenses for May, June, one-half July and November, 1904, were \$3,514.33, including \$1,329 for docking and repairs to dredge in July, previous to leaving for Pentecost.

During the season the dredge was taken to Pentecost, in the lower St. Lawrence, for a special work. The cost of towing there and back and of fitting her for the trip are charged to Pentecost.

In 1905, from May 4 to June 24, this dredge worked at Quebec for the crib sites of the second contract, excavating 27,000 cubic yards at 15 cents, \$4,050 (see Report Auditor General, 1906, page V—25). She then left for Chicoutimi.

The price of \$150 per day was changed to 15 cents per cubic yard, on representation made by the contractors that they had made arrangements with the W. J. Poupore Company to work for them at that price, that owing to the work of the dredge being interrupted for three to five hours each day during the time of high tides, for which they had to pay as if she had been working during the whole day, that during the previous season the average daily excavation was somewhat over 900 cubic yards per day and amounted to nearly the same earning for the dredge.

The two above accounts, amounting to \$17,570, were deducted from the contractors' estimate for June, 1906. (See Rep. Auditor General, page V—25.)

The working and maintenance expenses from May 4 to June 24, 1905, were \$3,922.71, exclusive of \$1,583.33 towing to Chicoutimi. (See departmental annual report, 1904-5.)

During the season of 1906 the *International* worked for the contractors at Quebec from June 30 to November 21 for the crib sites of the extension of the contract, excavating 57,250 cubic yards at 15 cents, \$8,587.50, which amount was deducted from the estimate for June, 1908.

The work and maintenance expenses for the season of 1906 to the end of the fiscal year, March 31, 1907, were \$12,046.67, including repairs.

During the season of 1907, the *International* worked for the contractors at Quebec, making crib foundation for the extension of the contract, from May 20 to November 16, excavating 88,500 cubic yards at 15 cents—\$13,275. This amount has not yet been paid by the contractors, but will be deducted from the final estimate of the last contract.

The working and maintenance expenses up to the end of the fiscal year, March 31, 1908, were \$10,330.32, not including extraordinary repairs when the dredge hull was widened in the month of June, before commencing the season's work.

#### *Dredge 'Progress' at Quebec.*

This dredge was working for the contractors, procuring back-filling, from May 10 to November 20, 1905, excavating 80,800 cubic yards at 15 cents—\$12,120.

The working and maintenance expenses of this dredge, during the period above referred to, were as follows:—May, \$657.26; June, \$1,541.35; July, \$1,201.25; August, \$1,328.79; September, \$1,369.50; October \$814; November, \$775.49; a total of \$10,687.54, including a charge of \$1,783.64 for equipment in the month of June, 1905. The total expenditure of this dredge for the fiscal year 1905-6 is \$15,517.92, which includes equipment and repairs in the spring of 1906, preparing the plant for work in the Lower St. Lawrence, and amounting to \$5,250.83, as detailed in the annual report of the Department of Public Works for the fiscal year 1905-6, page 242.

It must be remarked that the total amount of excavation done by the two dredges during the periods above mentioned, was 815,150 cubic yards, paid and to be paid

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by the contractors at 15 cents, amounting to \$48,552.50, whilst the total number of yards to be excavated for the crib sites and paid by the government at 75 cents per yard was 51,214 in situ, amounting to \$17,020.50, which leaves a balance to the credit of the government of \$2,552.

As will be shown later on, the total quantity of dredging done by the government plants, the W. J. Poupore Company and the contractors' plant to procure filling, was 581,150 cubic yards. The greatest part of the excavation was done in places outside of the wharf site, where the government will eventually have to do further dredging, which will probably cost 45 cents a yard, whereas it is bringing a revenue of 15 cents per yard for the part done by the government dredges. This is not imaginary, for the shore face of the wharf and the approach thereto have to be dredged for a width of 300 feet to a depth of 36 feet at low tide, before the steamers can be allowed to land at the inner face, where it is estimated there will be approximately 600,000 cubic yards of dredging to be done, and for which an appropriation of \$50,000 has been asked to be placed in the estimates for the next fiscal year.

*Tables of quantities of dredging and filling and of amounts paid and received.*

Amounts paid to contractors according to calculated quantities at 75 cents per cubic yard:—

1st contract, included in lump sum.. . . . .	18,900 cubic yards,	\$12,285 00
2nd contract, at 75 cents.. . . . .	16,500 "	12,375 00
3rd contract, at 75 cents.. . . . .	18,000 "	13,500 00
4th contract, at 75 cents.. . . . .	11,814 "	8,860 50
	<hr/>	<hr/>
	65,214	\$47,020 50

Amounts paid to government by contractors:—

July 16, 1906.. . . . .	\$15,570 00
July 15, 1907.. . . . .	12,120 00
July 15, 1908.. . . . .	8,567 50
Due on final estimate of last contract.. . . . .	13,275 00
	<hr/>
	\$49,552 50

Number of yards excavated and paid by the contractors:—

*International—*

May 2 to July 16, 1904; also October 25 to November 22, 1904, at \$150 per day.. . . . .	61,600 cubic yards,	\$11,520 00
May 4 to June 24, 1905, at 15 cents per cubic yard.	27,000 "	4,050 00

*Progress—*

May 10 to November 20, 1905, at 15 cents per cubic yard.. . . . .	80,800	"	12,120 00
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*International—*

June 30 to November 31, 1906, at 15 cents per cubic yard.. . . . .	57,250	"	8,587 50
May 30 to November 16, 1907, at 15 cents per cubic yard.. . . . .	88,500	"	13,275 00
	<hr/>		<hr/>
Total yards excavated. . . . .	315,150	"	\$49,552 50

Total dredging done:—

By Government plants.. . . . .	315,150 cubic yards.
" W. J. Poupore Co. approx.. . . . .	20,000 "
" Contractors' plants.. . . . .	216,000 "
	<hr/>
	551,150

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Total filling required as calculated:—

1st contract.. . . . .	192,080	cubic yards.
2nd contract.. . . . .	156,000	"
3rd contract.. . . . .	100,149	"
4th contract.. . . . .	111,600	"
	<hr/> 559,829	"

Filling done to present time, approx.. . . . 525,000

Filling done by C.P.R. Co., approx.. . . . 80,000

" W. J. Poupore, approx.... . 20,000

" Contractors' plant during two  
years.. . . . 216,000

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316,000

" Government dredges.. . . . 209,000

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525,000

Total dredging done by government dredges. 315,150

Material dredged by government plants and  
used as filling.. . . . 209,000

Material lost or handled twice.. . . . 106,150

NOTE.—Some of the material was handled twice owing to caving in of the banks of the trench, also to filling falling in the trench; this quantity cannot be calculated.

Actual cost to government of dredging done by their plants:—

Dredge <i>International</i> , 1904.. . . . .	\$ 3,544 33
" 1905.. . . . .	3,982 71
" 1906.. . . . .	12,046 67
" 1907.. . . . .	10,330 32
Dredge <i>Progress</i> , 1905.. . . . .	10,687 64

Total cost.. . . . .	<hr/> \$40,591 67
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Equal to 12·88 cents per cubic yard, whereas \$49,552·20 was received, leaving a balance in favour of the government, amounting to.. . . . \$ 8,960 83

Approximate value of dredging done for government by contractors to procure filling.. . . . 40,000 00

Profit to government.. . . . .	<hr/> \$48,960 83
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*Awarding the Second Contract.*

During the winter and spring of 1904, the Harbour Commissioners represented to the government, that the extension of the old breakwater being then built under contract would afford some relief in accommodating the ocean passenger traffic, but owing to the fact that three and four steamers had happened to arrive at about the same time, and to the large increase in the number of immigrants being landed at Quebec during the summer two of those steamers have had to wait in the mid-stream for several hours until the first arrival had landed her passengers, it was urgent that further landing facilities be supplied besides that which was under construction.

The government decided to grant the request of the Harbour Commissioners to build a further length of 500 feet of the same class of work specified for in the first contract.



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The question of calling for new tenders was raised, the contract is claimed that they were entitled to the second contract at the schedule prices submitted by them in the first, which prices were especially put in for any additions or deductions that might be made according to the working of the specification.

The matter was referred to the chief engineer of the department, who instructed me to look into the question and find out whether, in view of the increase in the prices of materials and labour, it would be more advantageous to call for new tenders than to let the contractors build the proposed extension at their schedule prices attached to the main contract.

In order to arrive at a solution, the quantities of materials entering into the main contract were calculated at the schedule prices. It was found that the total amount was \$7,837 larger than the bulk sum for which the contract had been awarded, but considering that those items, such as dredging and filling, for which the schedule prices were rather high, were found to be in less quantities in the second than in the first contract, and that five of the items, including timber and stone ballast, for which the prices were thought to be low, remained in the same proportional quantities in the second contract, and that by calculating the quantities of the low items at a reasonable current price for the year 1904 it would raise the total amount by \$16,745, the probable additional amount that we would have to pay, it was thought advisable not to call for new tenders.

It was also considered that the prices of materials and labour had increased from 12 to 15 per cent during that year.

Another consideration was the inconvenience and clash of interests that would ensue had two firms of contractors been working on adjacent parts of the same work.

For all these reasons, it was recommended that the contractors be awarded the contract at the same schedule prices set forth.

(Sgd.) U. VALIQUET,  
*Engineer in Charge.*

*By Mr. Northrup:*

Q. In reference to the change from \$150 per day you say:

'The price of \$150 per day was changed to 15 cents per cubic yard on representations made by the contractors that they had made arrangements with the W. J. Poupore Company to work for them at that price, that owing to the work of the dredge being interrupted for 3 to 5 hours each day during the time of high tides, for which they had to pay as if she had been working during the whole day, that during the previous season the average daily excavation was somewhat over 900 cubic yards per day and amounted to nearly the same earning for the dredge.'

Is that correct?—A. Yes.

Q. That is that the price of \$150 per day was lowered to 15 cents per cubic yard because the contractors say that Messrs. Poupore & Company did the work for that price, and because from the previous year's work it shows that 15 cents per cubic yard would come to the same thing.

Hon. Mr. PUGSLEY.—Your question is not a correct one, because you say he has 'lowered' the price to 15 cents a yard, and in the latter part of your question you say that he did not 'lower' it, but that it was estimated that 15 cents per yard would be equivalent to \$150 per day.

*By Mr. Northrup:*

Q. With reference to the representations that the contractors had made arrangements with the Poupore Company to work for them at that price, had the Poupore Company any dredge that could do the work that the *International* was doing?—A. She was—

Q. Had he or had he not?—A. No, he had not a dredge that could dig as deep as the *International*.

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Q. Mr. Peupore had no dredge that could do the work the *International* was put to do?—A. No.

Q. As to the 900 cubic yards per day, look at your statement on page 6 and see if that is correct, '61,600 cubic yards and 27,000 cubic yards dredged by the *International*, 1904'?—A. Yes.

Q. That is, 88,600 cubic yards dredged in 1904 and 1905, is not that correct?—A. Yes.

Q. 88,600 yards, that is the first year, how much would that come to at 15 cents?

Hon. Mr. PUGSLEY.—Which year are you taking now?

Mr. NORTHRUP.—The first year—1904.

*By Mr. Northrup:*

Q. 61,600 yards was the amount done the first year, 1904; I think that is correct?—A. Yes, that is correct.

Q. Tell me how much 61,600 yards would come to at 15 cents?—A. It comes to \$9,240.

Q. What was the department paid, as a matter of fact, by the contractors at \$150 per day?—A. They were paid \$11,520, but—

Q. So that it came to—

Hon. Mr. PUGSLEY.—Let him finish his answer.

A. But then the total time, the total number of days, were paid for by the contractors, and that was what they objected to, that the dredge would lose from three to five hours a day, and they objected to paying for those lost hours.

Q. So that the contractors paid, as a matter of fact, \$11,520 for the first year's use of the dredge?—A. Yes.

Q. And if he had paid 15 cents per cubic yard he would only have paid \$9,240?—A. Yes.

Q. Therefore, when you said on page 3 of this statement that the average daily excavation was something like 900 cubic yards per day, and that it would amount to nearly the same as at \$150 per day?—A. It was something over 900 yards.

Q. And that it amounted to nearly the same amount, it did not really come within \$2,200 of the amount?—A. It came to pretty nearly the same as by the day.

Q. Is it not a fact that he paid \$11,520 at the rate of \$150 per day, and then you cut it down to 15 cents per yard, and if he had paid that price the first year he would have saved \$2,200?—A. That is the reason he objected.

Q. But you said in your statement that the second rate of 15 cents per yard amounted to nearly the same earnings for the dredge, and you gave that as a reason for the change, but that is not correct?—A. 900 yards at 15 cents is \$135 per day, and the other was at \$150 per day, which makes a difference of \$15.

*By Mr. Sharpe (Ontario):*

Q. But it did not average nearly 900 yards per day?—A. It did.

Q. It does not figure out that way?—A. For 67½ days.

Q. I have all the figures here; here are the figures and it does not work out nearly at 900 yards per day?—A. 61,600 yards for 67½ days. If you divide 61,600 by 67.8 you will get over 900, that is for the working days.

Mr. SHARPE (Ontario).—I take the working days, too, according to this statement.

Hon. Mr. PUGSLEY.—You are taking about 80 days instead of 67, Mr. Sharpe. It will be a little over 900 yards for the 67 days.

A. Yes, over 900 yards.

*By Mr. Northrup:*

Q. At all events the point is—

Mr. SHARPE (Ontario).—If the dredge was idle the expenses went on just the same.



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Mr. NORTHRUP.—I take it that what the witness says is that the dredge worked 67.4 days and that it did 61,600 yards during that time, which would mean an average of 900 yards for every one of the days on which it was working, that is what I understand.

*By Mr. Northrup:*

Q. Now, take the following year, the *International* worked again from May 4th to June 24th at 15 cents per cubic yard. If they had been working at her old rate of \$150 per day, how much would she have earned?—A. I do not know; I do not know how many days she lost during that time.

Q. Have you any statement among your papers showing how much per day was dug, that is from the returns sent in?—A. I haven't anything here, no.

Q. There must be in your office a record of so much dug each day?—A. Yes. Well, hold on—perhaps I have it here (examines papers). No, I haven't any statement here.

Q. You must have it in your office, have you not?—A. Yes.

Q. Could you let us have a statment showing that?—A. The number of yards per day?

Q. Yes?—A. I think so, the returns are made out at so much per week, you know.

Mr. NORTHRUP.—That is all I want to ask.

*By Hon. Mr. Pugsley:*

Q. Mr. Valiquet—

*By Mr. Sharpe (Ontario):*

Q. I have a few questions I would like to ask—perhaps the minister would like to clear it all up together at the end. This tender was accepted in 1903, was it not?—A. Yes.

Q. Is the work still going on under the original contract?—A. Yes.

Q. And was all the work that was done at Quebec harbour, done by these government dredges in pursuance of this government contract?—A. Not all the work, no.

Q. Was there any work at Quebec that was not done for Dussault & Lemieux, that is in your statement here that you have put in?—A. You mean by the dredges?

Q. Yes?—A. Oh, yes, there was quite a quantity of dredging done for the Harbour Commissioners.

Q. Does that appear in your statement here?—A. No.

Q. This statement rendered in 1905 of the dredge *Progress* at Quebec, so much, is that in pursuance of this contract?—A. Yes, of course in connection with this contract.

Q. You have a copy of this statement before you, have you not?—A. Yes.

Q. Then the expenditures at Quebec in 1905, according to that statement was \$10,321.47?—A. Which dredge is that?

Q. The *Progress*.—A. On the *Progress*—yes, in 1905 it was \$10,687.54.

Q. \$10,321.47, that is your statement here?—A. No, the total expenditure for that year for the dredge was \$10,687.54.

Q. Well, you have the statement—here is the statement prepared by you or by the department is it not? (handing document to witness)—A. I did not prepare that, no.

Q. Turn it over and look at it, and see if it was not prepared by the department. Perhaps the minister would verify that?—A. I do not know who it was prepared by.

Q. Show it to the minister, then (document handed by witness to Hon. Mr. Pugsley).

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Hon. Mr. PUGSLEY.—I have not seen it before. Was this statement sent in by the department?

Mr. SHARPE.—Yes.

Hon. Mr. PUGSLEY.—I have never seen that. I do not know anything about it.

*By Mr. Sharpe (Ontario):*

Q. You have never seen this statement before?—A. No, sir.

Hon. Mr. PUGSLEY.—You had better examine him on papers he knows something about.

*By Mr. Sharpe (Ontario):*

Q. Well, then, the amount of work in 1905 was 80,800 cubic yards?—A. Yes.

Q. I am talking of the *Progress* now. In the year 1907 the expenses at Quebec amounted to what?—A. In 1907?

Q. Yes.—A. For the *Progress*?

Q. Yes.—A. She wasn't there at all.

Q. According to this statement she was there?—A. In 1907 she was not working for us in connection with this contract—not in 1907.

Q. Here is a statement of the expenditure on the *Progress* at Quebec, \$2,753.—A. Well, I have no record of her in 1907, only in 1905.

Q. You haven't any record?—A. No.

Q. So she did not do any work there that year?—A. I do not think it; not in connection with the contractors' work.

Q. And in 1908 the expenses were what?—A. I do not know what it was in 1908. I only kept the record up till the fall of 1907.

Q. This is a statement that comes from the department.

*By Mr. German:*

Q. He says he knows nothing about it. —A. The *Progress* did not work at Quebec in 1908 anyway.

*By Hon. Mr. Pugsley:*

Q. The *Progress* did not work there in 1908?—A. No.

*By Mr. Sharpe (Ontario):*

Q. Here it is, *Progress* at Quebec, \$4,031.72.—A. She didn't work there.

Q. Hon. Mr. PUGSLEY.—She may have been working for the Harbour Commissioners, perhaps. He says she did not do any work for the contractors.

*By Mr. Sharpe (Ontario):*

Q. She did not work at this work?—A. No, sir.

Q. The *International* started work on this contract when?—A. 1904.

Q. And she has worked every year since?—A. Yes, not continually for the whole season.

Q. Let us take up the cost of the *International*, then.—A. Yes.

Q. The expenditure in 1904 for the *International* at Quebec is \$2,449.25?—A. \$3,922.71, I have.

Q. The person who prepared this statement hasn't prepared it correctly then?—A. Yes, but these figures of \$3,922.71 include \$1,583.73, towing to Chicoutimi; evidently she was at Chicoutimi, and it is probable that some of the expenses connected with the fitting up for the trip or for other matters may have been included in the Quebec work.

*Hon. Mr. Pugsley:*

Q. That will be all theory, the statement that she needed some repairs by reason of work done at Quebec?—A. Yes.

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*By Mr. Sharpe (Ontario):*

Q. How much work did she do that year? Your statement shows how much—on page 3?—A. In 1904?

Q. 61,600 yards, is it?—A. Yes.

*By Hon. Mr. Pugsley:*

Q. In 1904 or 1905 is that?—A. 1904.

*By Mr. Sharpe (Ontario):*

Q. In 1905 the expenditure was \$2,855.60, is that correct—I got this statement from one of the officers of the department—I think it is a statement by Mr. Howden?

Mr. SHARPE (Ontario).—Will you look at this statement, Mr. Howden? Was that prepared by the department?

Mr. JAMES HOWDEN.—It was prepared by the department.

Mr. SHARPE.—Then I will put this in, but I want to use it for the purposes of this examination.

Hon. Mr. PUGSLEY.—You had better put it in after some witness has identified it.

Mr. SHARPE.—Mr. Howden has identified it.

Hon. Mr. PUGSLEY.—Did you say you prepared it, Mr. Howden?

Mr. HOWDEN.—No sir, it was prepared by the department.

Mr. SHARPE.—Who did you get it from?

Mr. HOWDEN.—From a clerk in the department.

Mr. SHARPE.—What clerk?

Mr. HOWDEN.—The clerk that attends to this work.

Hon. Mr. PUGSLEY.—Mr. Howden will find out who prepared it and we will have that person here to verify it if you desire that.

Mr. SHARPE.—I want to take up this witness' statement, that has been verified, but there are several mistakes made in it.

Mr. GERMAN.—What he said was, that the *Progress* was not working at Quebec on this job, she may have been working on another job.

Mr. SHARPE.—There are other statements contained in it which are not correct in reference to the daily amounts.

Hon. Mr. PUGSLEY.—The way in which the difference in the statements may be accounted for is this, that probably the clerk who made up your statement of expenses of the *Progress* would not know where the *Progress* was working.

Mr. SHARPE.—Here is the statement of the daily expenses of the *International*.

Hon. Mr. PUGSLEY.—That may or may not be on this particular work, but Mr. Howden can find out what clerk prepared it, and Mr. Valiquet can appear here again if you wish it.

Mr. SHARPE.—Exactly, only this statement is in and I have prepared a few questions that I want to ask on this statement, so that when this examination is adjourned to some future date, I can take it up again.

*By Mr. German:*

Q. Mr. Valiquet, in this estimate of Mr. Lafleur that has been handed in, he has put, 'Dredging and earth filling 25 cents,' that is the cost per yard. What would you say from that? Would that be 25 cents per yard for dredging out the material and using it for filling, or would it be 25 cents for dredging and 25 cents for filling?—A. I do not know really what the intention was, but it would seem reasonable to think that it would be 25 cents for each.

Mr. NORTHRUP.—If you do not know, say so; do not answer the question.

Mr. GERMAN.—Of course Mr. Lafleur can answer that. But I think it was not intended to mean that it was 25 cents for both.

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*By Mr. German:*

Q. You said in your first examination that the second contract was let to those contractors at the schedule of prices given by them in their first tender, and that 75 cents per yard was allowed for dredging by reason of the fact that they were very much too low in their prices on several other items of the work?—A. Yes sir, quite right.

Q. Did that matter come before Mr. Lafleur for his report?—A. Oh, yes.

Q. You also stated that it was thought by the engineers of the department, taking all the schedule of prices, combining them for the whole work, that the total amount was not too high?—A. It was not.

Q. And that it was a fair price to give for the total work?—A. That is the average of the prices contained in the schedule was fair and reasonable and we calculated that the dredging may have been rather high and also the filling, but when you calculate the filling that was done at 32 cents it shows very much difference with what we received, but in the meantime for the total prices, or the averages made by the total prices, would make it a very fair and reasonable price.

Q. It was a fair and reasonable price. And then with regard to the second contract, was that contract let on the recommendation of Mr. Lefleur?—A. Yes.

Q. He had the schedule of prices before him?—A. Yes.

Q. And, of course, he had his own ideas with reference to the report he had made to Mr. Sutherland?—A. Yes.

Q. And having that all before him, it was his recommendation after taking all the prices combined into consideration that it made it a fair and reasonable figure for doing the work?—A. Yes.

*By Hon. Mr. Pugsley:*

Q. Have you the original figures and reports of the engineer in 1903 and 1904?—A. They are in the office, I haven't them here.

*By Mr. Sharpe:*

Q. What was the year that the *Progress* worked on this contract in Quebec harbour?—A. 1905.

Q. Did she work on the contract any other year?—A. No.

Q. On the Dussault contract?—A. Yes, it is the Dussault contract I am speaking of.

Q. If she was working there in 1907 and 1908 she was working for the Harbour Commissioners?—A. Yes, or somebody else, I do not know.

Q. What years did the *International* work on this contract?—A. 1904, 1905, 1906 and 1907.

Q. And 1908?—A. That is the fiscal year, you mean, of 1907-8?

Q. Just listen a moment—last year?—A. She worked there last season also.

Q. Did she work at any other work besides this contract from 1904 to 1908?—A. Oh yes, she went to Pentecost in 1904 on special work.

Q. But I mean at Quebec, was she working at Quebec for any other contractor or for the Harbour Commissioners, anyone else besides Dussault & Lemieux?—A. No.

Q. So that all the work done there was in pursuance of this contract?—A. Yes.

*By Mr. Northrup:*

Q. Do you know how much the contractors paid the C. P. R. for filling material?—A. I believe they paid for part of it 25 cents and for another part of it 28 cents per yard.

*By Hon. Mr. Pugsley:*

Q. Mr. Valiquet, can you explain why it would be that the contractors would be willing to pay the C. P. R. these prices in preference to taking the dredged material?



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—A. The prices they paid to the C. P. R. were considered reasonable in view of the extra expense that they had to incur, besides the cost of dredging, in handling the material from the dredge.

Q. That is the extra cost of handling the dredged material?—A. Yes.

Q. I understand that even paying this price of 25 cents per yard, and what do you say the other price they paid the C. P. R. was?—A. 28 cents.

Q. That paying 25 cents and 28 cents to the C. P. R., it would pay the contractors to pay that price rather than the lower price for the dredged material because of the greater expense of handling that material in putting it behind the crib work?—A. Yes, and a certain amount of the dredged material was put in there which did not cost the contractor a single cent; that is it came from different sources, from the Harbour Commissioners' dredges, and when they were tearing down old buildings, everybody was putting material there.

Q. It would cost the contractors of course the expense of handling it?—A. They did not have any handling of that material at all. It would simply cost them nothing to get the material from those sources I have mentioned.

Q. But the dredged material did cost them a certain amount per cubic yard for rehandling, for putting it in the place where it was to go?—A. Yes.

Q. I suppose you could not tell how much it would cost the contractors for rehandling per cubic yard?—A. No, I could not tell exactly.

Q. What would it run to, 20 or 25 cents a cubic yard?—A. For rehandling?

Q. Yes?—A. No, it would not cost as much as that, it would probably cost them between 7 and 10 cents per yard for rehandling.

Q. And then there would be a good deal of lost material too?—A. Yes.

Q. Now I have here a statement of the different tenders, I do not know whether it is in evidence or not. Would you look at that and tell me whether you are aware if that is correct or not? (Handing statement to witness) A. I believe it is correct, sir.

Q. That is a statement of the different tenders?—A. Yes.

Q. I notice that the lowest tender, moneying the whole thing out, was apparently that of Messrs. Corry and Laverdure, \$184,000?—A. Yes.

Q. But there was no accepted cheque apparently?—A. No, sir.

Q. So apparently that tender was rejected? Apparently the next tender was that of Dussault and Lemieux, Lévis?—A. Yes, sir.

Q. And accompanying their tender was an accepted cheque for \$20,000?—A. Yes.

Q. And that tender was accepted? Now just let me look at that statement a moment. I see that in moneying out, the total of Dussault and Lemieux was estimated at \$198,700, and the total of the highest tender was Larkin, Sangster and McDonald, Toronto, \$300,000?—A. Yes, sir.

Q. There was a difference, therefore, of \$101,000 between the accepted tender of Dussault and Lemieux and the highest tender?—A. Yes, sir.

Q. There were a number of tenders apparently, were there not?—A. There were seven tenders.

Q. Dussault & Lemieux, the W. J. Poupore Company, Ltd., Lyons & White, M. P. Davis, M. Connolly, Larkin, Sangster & McDonald and Corry & Laverdure, but the tender of the last named was informal? You said that moneying the cost in respect of the different items together, while the dredging price put in by Dussault & Lemieux seemed a little high, they were very much lower on other materials?—A. Yes, sir.

Q. Let me call your attention to one thing. Take the matter of oak. Dussault & Lemieux's price was figured at \$70 while Lyons & White's price was \$120?—A. Yes, sir.

Q. Then Connolly's price, \$85? Then Poupore & Company's price was somewhat lower, but take that company who were the next tenderers, their tender for dredging for foundation was \$1, was it not?—A. Yes.

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Q. As against 75 cents by Dussault & Lemieux?—A. An average of those prices is 75 cents.

Q. Now, under the contract as let Dussault & Lemieux were entitled to receive for dredging for foundation 75 cents and for earth filling 32 cents?—A. Yes, sir.

Q. It was after the contract was awarded to them, was it not, that the arrangement was made to let them have the use of the *International* dredge?—A. Oh yes, some time after.

Q. You have been examined by Mr. Northrup with regard to the total amount that was paid by the government to the contractors for dredging during those years and you have given the figures as \$47,020.50?—A. Yes.

Q. You have also been questioned with regard to the amount that was paid by the contractors to the government for dredging by the government dredges and to be settled in the final estimate?—A. Yes, sir.

Q. \$49,552.50?—A. Yes.

Q. You have also been examined by him as to the amount which the government paid Dussault & Company for back filling?—A. Yes, sir.

Q. Now let me ask you if the amount paid the contractors for back filling was simply for material, or did it not include all the cost of handling and putting it in position?—A. Certainly it cost all that.

Q. After you have heard what Mr. Northrup has said, after his examination of you upon these points, do you or do you not still adhere to the statement that in respect to the dredging, the government received from the contractors upwards of \$2,000 more than the government paid to the contractors?—A. Yes, sir, in regard to dredging, that is correct.

Q. And do you still adhere to the statement that by this arrangement, instead of the government being obliged to take the spoil away in scows and deposit it, selling it to the contractors at 15 cents per cubic yard was a fair and reasonable arrangement as between the government and the contractors?—A. Yes, sir, it was fair.

Hon. Mr. PUGSLEY.—That is all I have to ask.

*By Mr. German:*

Q. How many cubic yards were taken out of the crib sites?—A. 65,214 cubic yards in situ.

Q. I think I understood you to say that very little of that was used for back filling?—A. Yes.

Q. What percentage of it would be used for back filling?—A. Well, probably one-eighth or one-tenth.

Q. I beg your pardon?—A. Oh, of the percentage of the dredging?

Q. Of the 65,000 cubic yards?—A. The amount of dredging which is calculated as lost in another place here, was part of that, and the lost material amounts to over 130,000 yards, I think, and that was a part of this dredging which had to be taken out into the river on account of there being no place where the filling had to be done at the start before the cribs were sunk.

Q. Now can you arrive at a reasonable estimate of the percentage of the 65,000 yards excavated for the crib sites which was used for back filling?

*By the Chairman:*

Q. How much of the 65,000 yards was used for back filling?—A. Well, I should say about one-third of it.

*By Mr. German:*

Q. About one-third?—A. Yes.

Q. The material that was dredged and used for back filling, the dredging of which was not paid for by the government which amounted to something considerable, where

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was that dredging done and what was it done for?—A. The most of the dredging that was done to be used as back filling was done in the place where the government would have to do some dredging in order to bring the steamers alongside of the wharf, and that dredging, if it is done by contract, would probably cost 45 cents a yard, whereas the government received 15 cents per yard.

*By Hon. Mr. Pugsley:*

Q. It would cost the government how much per yard?—A. 45 cents a yard if it was done by contract, whereas the government received 15 cents per yard.

*By Mr. German:*

Q. For getting it done?—A. For getting it done.

Q. So that to that extent the government has been deriving the benefit by reason of this dredging having been done for which they received 15 cents a yard?—A. Yes.

Q. In the future when it is necessary to have it done by the government you say it will cost about 45 cents a yard to do it. That will make 60 cents a yard which the government has made out of that?—A. Yes.

*By Hon. Mr. Pugsley:*

Q. If you will permit me, I will ask him in regard to the exact figures. Just to simplify your answer to Mr. German let me ask you if this will be the result, the total dredging for the crib sites paid for by the government was 65,214 cubic yards?—A. Yes, sir.

Q. Now allowing for expansion would that be about 33 per cent?—A. Yes, sir.

Q. That would make the total of the material dredged for the crib sites as per scow measurement, 86,734 cubic yards, would it not?—A. Yes, sir.

Q. Now then, the contractors actually paid to the government for dredging 315,150 cubic yards?—A. Yes, that is right.

Q. That would make a difference of 228,416 cubic yards scow measurement, would it not?—A. Yes, sir.

Q. Of useful dredging, which it would cost the government at least 45 cents per cubic yard to dredge?—A. If it was done by contract, yes.

Q. And for which they received 15 cents per cubic yard from the contractor?—A. Yes.

Q. Thus making, in respect to that as a useful government work, an advantage equal to 60 cents per cubic yard?—A. Yes, that is correct.

*By Mr. Sharpe:*

Q. On page 5 of your statement there is apparently a mistake in your figuring. You say '315,150 cubic yards, paid and to be paid by the contractors at 15 cents, amounting to \$49,552.50.' I think if you multiply it out you will find that it comes to a couple of thousand dollars less than that; it only comes to \$47,272.50. That wipes out that profit you were figuring on. How much do you make that now?—A. That is right, it is \$47,272.50.

Q. And not \$49,552.50, as you have it here?—A. Well, that is very true, but the government received \$49,552.50 owing—

Hon. Mr. PUGSLEY.—The contractor paid for the *International* by the day you know the first year.

*By Mr. Sharpe:*

Q. Listen to the wording of this statement, '315,150 cubic yards, paid and to be paid by the contractors at 15 cents, amounting to \$49,552.50'?—A. That is an oversight in the wording.

Q. That is a mistake?—A. Yes.



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Hon. Mr. PUGSLEY.—That has already been explained, because for the sixty-seven days in 1904 the contractors paid at the rate of \$150 per day, and he said that was equal to 15 cents per cubic yard if you make allowance for the days the dredge was not working. That accounts for the \$2,000 that the contractor paid, that makes the difference?—A. That is all rectified on page 6, which gives the number of cubic yards, which equals the amount per day.

*By Mr. Sharpe:*

Q. That is to say that the contract was changed from \$150 per day to 15 cents per cubic yard.

*By Hon. Mr. Pugsley:*

Q. The \$49,552.50 received by the government includes the total from the beginning, and that will include, will it not, Mr. Valiquet, the dredging in 1904 for which the rate paid was \$150 per day?—A. Yes, sir.

Q. You stated that made a difference of about \$2,000 on what it would have amounted to at 15 cents, and in regard to which the contractor made objection?—A. Yes, it is all set out on page 6 of this statement.

Mr. SHARPE.—That accounts for the mistake in the next item, does it, 65,214 cubic yards at 75 cents?

Hon. Mr. PUGSLEY.—He did not say there is a mistake in that item.

Mr. SHARPE.—If you figure that out you will see it is wrong, 65,214 at 75 cents.

Hon. Mr. PUGSLEY.—You are wrong there, the first contract was a lump sum contract. You must not take the whole of it at 75 cents, because the first item was a lump sum contract. It is only the last three items that are at 75 cents per yard.

Mr. SHARPE.—I can only figure on what he says here.—A. If you look at it the first contract included a lump sum for 18,900 yards, \$12,285.

Mr. SHARPE.—All these six items include both contracts, at so much per day and a lump sum?

Hon. Mr. PUGSLEY.—Just glance at that and you will see how it is made up. The first item is a lump sum contract and the others are on the schedule prices.

Mr. REID (Grenville).—We have already fixed other business for Wednesday next and Friday is taken, so that this matter will go over for at least two weeks.

Mr. SHARPE.—I am through with it.

Hon. Mr. PUGSLEY.—That is the end of it then, we need not go any further with it.

Mr. REID (Grenville).—Then we will report the case to the House.

The CHAIRMAN.—That is agreed to, then?

Witness retired.

Committee adjourned.



## APPENDIX No. 1

	Dussault & Lemieux.	W. J. Pou- pore Co.	Lyons & White.	M. P. Da- vis.	M. Con- nely	Larkin, Sangster & McDonald	Corry & Lavender
	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
Spruce per M. B. M. ....	25 00	20 00	22 00	30 00	35 00	30 00	25 00
Oak ....	70 00	55 00	120 00	60 00	85 00	60 00	65 00
Iron drift bolts, per lb. ....	0 07	0 07	0 06½	0 03½	0 05	0 06½	0 06
Steel drift bolts, per lb. ....	0 07	0 07	0 06	0 05	0 07	0 06½	0 08
Iron machine bolts ....	0 08	0 07	0 06	0 06	0 06	0 07½	0 07
Steel machine bolts. ....	0 08	0 10	0 06	0 07	0 08	0 07½	0 09
Iron anchor bolts. ....	0 07	0 07	0 08	0 05	0 06	0 06½	0 07
Steel plates. ....	0 06	0 07	0 06	0 05	0 08	0 10	0 12½
Granolithic concrete p. c. y. ....	8 50	9 00	8 00	11 00	7 50	15 00	9 00
Concrete footing blocks. ....	11 00	9 00	7 50	10 00	7 00	12 00	10 00
Concrete in superstructure. ....	6 95	8 00	7 00	7 50	6 50	9 00	9 00
Stone ballast. ....	1 25	1 50	1 00	1 25	1 50	1 00	1 00
Dredging for foundation. ....	0 75	1 00	0 25	0 38	1 00	0 60	1 25
Earth filling. ....	0 32	0 25	0 25	0 30	0 40	0 35	0 30
Stone and gravel foundation	2 50	2 00	1 00	1 50	1 50	1 50	2 00
Stone and gravel on top pier	1 50	2 00	1 00	1 75	2 00	1 50	2 00
Cast iron bollards in place, per bollard. ....	100 00	75 00	60 00	65 00	?	180 00	200 00
Round timber, 12" at small end, per lineal ft. ....	12½	0 20	0 18	0 21	0 28	0 22	0 20
Totals ....	198,700	199,999 99	212,900	249,000	273,000	300 000	184 000



# EVIDENCE

TAKEN BEFORE THE

## PUBLIC ACCOUNTS COMMITTEE

RE PAYMENT TO

# LYMBURNER LIMITED

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1909





## HOUSE OF COMMONS,

COMMITTEE ROOM No. 32,

OTTAWA, 14th May, 1908.

The Select Standing Committee on Public Accounts beg leave to present the following as their

## FOURTEENTH REPORT.

Your Committee recommend that the evidence taken respecting payments to Dussault & Co., Lymburner, Limited, and Rothwell, Johnston & Stubbs, be printed as an appendix to the Journals, and also in Blue-book form, and that Rule 72 be suspended in relation thereto.

A. H. CLARKE,  
*Chairman.*



## MINUTES OF EVIDENCE

## HOUSE OF COMMONS.

COMMITTEE ROOM, No. 32.

WEDNESDAY, March 17, 1909.

The Select Standing Committee on Public Accounts met at eleven o'clock a.m. the chairman, Mr. A. H. Clarke, presiding.

The committee proceeded to the consideration of payments amounting to \$2,503.97 to Lymburner, Limited, in connection with Montreal old examining warehouse, as set out at Page V—52, of the Report of the Auditor General for the fiscal year ending March 31, 1908.

Mr. F. S. Moody, called, sworn and examined.

*By Mr. Rhodes:*

Q. Your place of residence is Montreal?—A. Montreal, yes, sir.

Q. What is your occupation?—A. Commercial traveller.

Q. And what firm do you represent?—A. The D. K. McLaren Belting Company.

Q. How long have you represented them?—A. About four years.

Q. They are manufacturers of leather belts, are they?—A. Yes, sir.

Q. What other belt manufacturers are there in Canada?—A. Five others.

Q. You sell leather belting for the D. K. McLaren Belting Co.?—A. Yes.

Q. What is the list price of 'Extra Double Best English Oak tanned wire screwed belting, five inches in width'?—A. That would be, list price, \$2.40 per foot, less discounts.

Q. \$2.40 per foot less discounts?—A. Yes.

Q. Now explain what are 'discounts' in the first place, and secondly, to whom they are given?—A. Discounts—we have an Association, and we classify large mills as 'jobbers'; jobbers are entitled to a discount of 60, and two 10's and 2 per cent.

Q. You said in the first place that you have an Association?—A. We have an association under which we agree to classify different manufacturers, that is lumber manufacturers, woollen mills, with the jobbers, and the hardware trade. The hardware trade and jobbers are entitled to a discount of 60 per cent and two 10's.

Q. And to 2, did you say?—A. Yes.

*By Mr. Reid (Grenville):*

Q. That is 60 per cent first, and 10 next, then 10 again, and then 2?—A. Yes.

*By Mr. George Taylor:*

Q. The 2 per cent is for cash?—A. Yes.

*By Mr. Rhodes:*

Q. And the consumers are entitled to 60, and one 10 and to 2?—A. Yes, the 2 is for 30 days.

Q. These (producing file of Auditor General) are the invoices of Lymburner, Limited, for 'Extra double best English oak tanned wire screwed belting'? You see the price there is \$2.40 per foot, and that you say is the list price?—A. That is the list price, here (producing document) is the standard list price.

Q. Taking this same belting, do you manufacture that belting?—A. We do.

Q. That is the best quality of English oak tanned leather belting?—A. Yes.

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Q. You sell the same belting to jobbers at?—A. 60 and two 10's.

Q. And 2 per cent discount?—A. We do.

Q. And to consumers at 60 and one 10 and 2?—A. We do.

Q. Would you have sold that to the government at the same discount of 60 two 10's and 2?—A. We would, yes.

Q. You mean that first you take off 60, then 10, then 10, and then 2 per cent?—A. Yes.

Q. As a matter of fact do you sell to any consumers in Ottawa?—A. Yes.

Q. On those terms to whom do you sell here?—A. We sell leather belting to a good many people in Ottawa.

Q. You sell to the E. B. Eddy Company?—A. Not to say leather belting particularly.

Q. Is all belting subject to the same discount?—A. Well, only on leather.

Q. All leather belting is subject to the same discounts.—A. Yes.

Q. Do you sell to the E. B. Eddy Company on those terms?—A. We would, yes.

Q. Do you sell to any other consumers here on these terms?—A. We sell to the James Davidson Company, they are consumers.

Q. They are manufactures, wood workers?—A. Yes.

Q. And you sell to them as consumers at 60, 10 and 2?—A. Yes.

Q. Do you sell to the Canadian Northern Railway Company?—A. We do.

Q. On what terms do you sell to them?—A. On the jobbers' list.

Q. On the jobbers' list? That is at 60 two 10's and 2?—A. Yes.

Q. Do you sell to the C.P.R.?—A. We do.

Q. And on jobbers' terms?—A. On jobbers' terms.

Q. And to the Grand Trunk Railway, do you sell to them?—A. We do.

Q. On jobbers' terms?—A. Jobbers' terms.

Q. And to the Grand Trunk Pacific Railway?—A. We do.

Q. Do you sell to any other railway companies, to the Quebec and Lake St. John?—A. Well, that would be under the Canadian Northern.

Q. I have indicated first the account of Lymburner, Limited, December 19th, 1907 at \$242, that is the list price?—A. Yes.

Q. And that same belting you would have sold to the Government at 60, two 10's and 2 off?—A. Yes.

Mr. CARVELL.—Not two 10's, does he say they would sell to the Government at that discount?

Mr. RHODES.—Yes, he has said that already.

*By Mr. Rhodes:*

Q. Now, taking this invoice of December 19th, you will notice the words, 'extra double'?—A. Yes.

Q. You may explain briefly to the Committee the difference between double and single belting and the prices. For instance \$2.40 is the price of 'double leather belting', is it?—A. Yes, it is.

Q. Then there is a single leather belting, I understand? A. Yes.

Q. What is the price of single leather belting? A. It would be \$1.20.

*By Mr. George Taylor:*

Q. That is for five inch belting? A. For five inch single leather belting.

*By Mr. Rhodes:*

Q. We are always referring to five inch, that is until we change. Now I am showing you another account of Lymburner, Limited (producing account) dated January 21st, 1908, in which the first item is, 'leather belt spliced,' 32 feet 9 inches by 4 inch, what is the price of double four inch belting, the list price? A. Four inch double would be \$1.92 per foot.



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Q. \$1.92? A. Yes.

Mr. GEORGE TAYLOR.—That is what is charged there on that invoice?

Mr. RHODES.—Yes.

*By Mr. Rhodes:*

Q. The second item in that invoice is, 'leather belt, laced, 31 feet 9 inches, 5 inches in width,' what is the price of double belting?—A. Five-inch would be \$2.40.

Q. The third item is, 'leather belt, laced, 35 feet, 5 inches wide,' I suppose the price of that would be the same, assuming that it was double?—A. Assuming that it was double, although the invoice does not state it.

Q. The total of this invoice is \$223.08, that is the list total, these prices are the prices that would be charged on double leather belting?—A. They are.

Q. Of the best quality?—A. Of the best quality.

Q. There is nothing in this invoice to indicate that this is double belting?—A. Nothing there at all, it just says 'leather belt.'

*By Mr. George Taylor:*

Q. Nothing to indicate that except the price?—A. Except the price, the price is for 'double.'

*By Mr. Rhodes:*

Q. The peice of single-ply belting, I believe, is one-half that of double?—A. Just one-half.

Q. Now, turning to another invoice, of January 15, 1908, the total list price shown on which is \$227.80, there are three items, first, 'leather belt, spliced, 31 feet 2 inches in length and five inches in width,' the second item is, 'leather belt, laced, 31 feet 9 inches by five inches,' and the third is, 'leather belt, laced, 32 feet by five inches,' the list price for that, assuming that is best quality, double leather belting would be \$2.40?—A. Yes.

Q. Accordong to your previous testimony?—A. Yes.

Q. There is nothing on that invoice to indicate that it is double belting?—A. No, there is nothing on that invoice to indicate that, it simply states 'leather belt.'

Q. Now, turning to the invoice of February 14, 1908, which is an invoice for, 'genuine English oak-tanned brass wire screwed leather belt'?—A. Yes.

Q. There are three different lengths given here, all five inches in width, the first is 33 feet 3 inches, the second, 33 feet 5 inches on length, and the third, 29 feet 8 inches, making a total length of 96 feet 4 inches. What is the list price of the 'best genuine English oak-tanned brass wire screwed leather belt'?—A. Five-inch single?

Q. No, double?—A. It would be \$2.40.

Q. There is nothing in this invoice to indicate that that is double belting, is there?—A. There is nothing there.

Q. Referring again to this invoice of December 19, 1907, in which the total list price is \$242, the word 'double' is used?—A. Yes, the word 'double' is there.

Q. You will notice in the three other invoices to which I have referred, namely, that of January, 21, 1908, in which the total list price is \$223.08, that of January 15, 1908, in which the total list price is \$227.80, and that of February 14, 1908, in which the total list price is stated at \$231.20, the word 'double' is not used?—A. No. the word 'double' is not there.

Q. Would you draw any inference from that circumstance?

Mr. CARVEL.—My learned friend is asking this witness to draw an inference; I thing that is not right. The Committee can draw the inference.

Mr. RHODES.—I will withdraw my question, and put it another way.

*By Mr. Rhodes:*

Q. Any invoice from your company indicates if the belting sold was double

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belting, would you indicate on those invoices that it was double belting?—A. It would so indicate.

Q. In all cases?—A. In all cases.

Q. If you were invoicing single ply leather belting would you indicate that it was single?—A. We would.

Q. Or that it was double, as the case may be?—A. Yes.

Q. For instance, would you use the word 'single' or 'double'?—A. Yes, we would.

Q. Do you ever send out invoices leaving out the word 'single' or 'double' simply 'leather belting' of a given width?—A. No, we do not.

Q. Now, Mr. Moody, I have prepared a small statement here in which I have, in one column, placed the total list price of these four invoices of belting, as follows: the first invoice of February 14th, 1908 is \$231.20; the invoice of January 15th, 1908 is, total list price, \$227.80; the invoice of January 21st, 1908 is, total list price \$223.08; and that of December 19th, 1907, total list price is \$242.; you might go over these figures and add them up, the aggregate of them I make \$924.08?—A. That is right—that figure is right, \$924.08.

Q. These four invoices, you might examine them, indicate a discount of 10 per cent. The December 19th invoice indicates a discount of 10 per cent?—A. Yes.

Q. This is the invoice for January 21st and it has a discount of 10 per cent?—A. Yes.

Q. And this invoice of January 15th has a discount of 10 per cent, and this of February 14th has a discount of 10 per cent?—A. Yes.

Q. Taking 10 per cent from the total list price of these four invoices of belting you have \$924.09, which would leave a balance of \$861.68; that was the price, as shown by these invoices, which the Government paid for this belting?—A. Yes.

Q. Now, taking the total invoice prices of those four different items of leather belting at \$924.09, just figure what that would come to, taking off first 60 per cent, then 10 per cent, then 10 per cent, and then 2 per cent. Perhaps you had better verify my figures, Mr. Moody?—A. I make it \$293.41.

Q. You have made a computation?—A. Yes.

Q. And the sale price of these four invoices of belting, taking off the jobbers' discount, what does the same come to?—A. I make that \$293.41.

Q. \$293.41?—A. \$293.41.

Q. As contrasted with \$861.38 which was paid by the Government?—A. Yes.

Q. The difference then would be \$538.27?—A. Yes.

Mr. CARVELL.—What is the difference?

Mr. RHODES.—He says that figuring on the trade discount the price would be \$293.41; the Government paid \$861.68 the difference between those two figures being \$538.27.

*By Mr. Rhodes:*

Q. In other words, the Government by paying for this belting on the basis of a discount of 10 per cent paid \$538.27 more than they could have bought it for had they purchased it at the jobbers' discounts?—A. Yes.

Q. And you would have sold—you have already stated, I think, that you would have sold the same belting to the Government at the jobbers' discounts?—A. We would have.

Q. In other words you would have sold the same belting to the Government for the sum of \$293.41?—A. We would have.

Q. I wish you would take these four invoices, Mr. Moody, and total up the quantity of belting which is comprised in the four of them?—A. 388 feet 7 inches.

Q. Taking the four invoices and figuring up the number of feet sold to the Government by Lymburner Limited., how many feet do you find there were sold?—A. The total number of feet is 388 feet 7 inches.

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Q. Do you know the firm or company of Lymburner, Limited?—A. No, I do not know them.

Q. Do you know what business they are engaged in?—A. No, I do not.

*By Mr. Pardee:*

Q. You do not know the circumstances under which this order was given?—A. No answer.

*By Mr. Rhodes:*

Q. Do you know 'The General Metal Foundry and Machinery Company, Limited,' or did you know them?—A. No, I am not acquainted with them.

Q. You do not know their business at all or of them?—A. No,

*By Mr. Carvel:*

Q. Mr. Moody, you are giving evidence now of what McLaren Company, Limited, would have done if the government had applied to them and asked for all these discounts?—A. Yes.

Q. Does your firm run retail stores anywhere in Canada?—A. What would you term a retail store?

Q. I am asking you that?—A. We have branches.

Q. I know that, I have had some experiences with your firm and therefore I perhaps talk with a little degree of knowledge. It is a fact, is it not, that I can go into one of your branches in many cities in Canada and buy 3 feet of belting if I want to?—A. Yes.

Q. If it is in stock?—A. Yes.

Q. If I went into your store in St. John, Halifax or Toronto, and asked for 30 feet of 5-inch belting, 4-ply or double belting, whatever it might be, would I necessarily receive the discounts?—A. Well, before we would sell it we would find out.

Q. Never mind about that, answer my question. Would I necessarily receive the discount if I went into the store to buy 30 feet of belting?—A. No.

*By Mr. Tobin:*

Q. What is your 10-inch belting listed at. I see there is 100 feet of 10-inch belting here in the Auditor General's Report?—A. Single.

Q. No, you said it was double a little while ago.

MR. RHODES.—There is no 10-inch belting in these invoices, it is all 5-inch, except a little 4-inch.

THE CHAIRMAN.—As it appears in the Auditor General's Report it is a little misleading, that '10-inch' is the length of the belting, is it not?

*By Mr. Carvel:*

Q. You do not know whether these belts were bought just when they were required or whether they were bought in large quantities, or at different times, do you?—A. I do not.

Q. You know nothing about it?—A. No.

Q. You do not know whether the government, requiring this belting, went in and bought it offhand, as they would any ordinary article, at retail?—A. I do not know when they were bought or how they were bought.

Q. And you do not know whether the absence of the word 'double' means that the belting was single or not?—A. It does not show that.

Q. And the invoice does not show that it is single belting either?—A. No, the price shows it was double.

Q. That is what the price shows, that it was double, and the invoice does not show that it was not double?—A. No.

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*By Mr. Nesbitt:*

Q. This firm that sold these goods does not belong to your association. I suppose?  
—A. No, they are not manufacturers.

Q. And in your Manufacturers' Association did you not have it definitely settled at what discounts you would sell to the government?—A. Yes.

Q. You had that question up before the Association and had it settled, did you?  
—A. Yes.

Q. And you agreed among yourselves that you would give them the full jobbers' discounts?—A. We did.

Q. Now you say that you marked all your invoices, 'double' or 'single'?—A. We do.

Q. Are you the invoice clerk?—A. I am not.

Q. Do you frequently see your invoices?—A. I do.

Q. How?—A. In my travels throughout the country, meeting customers.

Q. You do not ask, when you go into the store of a man to whom you have sold goods, that he let you see the last invoice that he got?—A. That is not necessary, he may refer to it when he wants to buy something over again.

Q. You must have frequent quarrels then, if he has to bring out his invoices?—A. We do not.

Q. You quoted prices on what you called, 'oak-tanned, double distilled, double nailed or double screwed brass wire belting,' or something of that. Is it possible to have real English oak-tanned English belting?—A. We sell that.

Q. Do you make it?—A. We do.

Q. I thought so, but I mean a 'real' oak-tanned English belt?—A. We do.

Q. At what price?—A. At the price I gave you.

Q. The real English oak-tanned belting?—A. The real English oak-tanned leather belting.

*By Mr. Rhodes:*

Q. I would like to ask one question here, Mr. Nesbitt, I want to ask the witness where he gets the leather from out of which he manufactures this English oak-tanned leather belting?—A. From England.

*By Mr. George Taylor:*

Q. You sell to the Intercolonial Railway for the government?—A. That is not exactly on my territory. I think we do, though.

*By Mr. Nesbitt:*

Q. Do you know at what price?—A. I do not travel that district and therefore am not acquainted with the accounts.

Q. You do not see the invoices for that district?—A. No, we have a branch in St. John.

*By Mr. Reid (Grenville):*

Q. Have you sold many articles to the government on your territory?—A. Not that I am aware of for some time.

*By Mr. Nesbitt:*

Q. Did you ever really offer the government anything at these prices?—A. I presume we have.

*By Mr. Pardee:*

Q. But you do not know?—A. Not personally.

*By Mr. Carvell:*

Q. Did you ever do it personally?—A. No, I never did it personally.



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*By Mr. Tobin:*

Q. You would not trouble yourself about selling 30 or 40 feet of belting to the government at one time?—A. I certainly would.

Q. What; 30 feet of belting, going around making quotations for 30 feet of belting?

*By Mr. Prowse:*

Q. Would not your other customers complain if you sold in such small quantities?—A. No.

*By Mr. Nesbitt:*

Q. Would you sell me 100 feet of belting?—A. I would.

Q. At those prices?—A. If your credit is good.

Mr. NESBITT.—Now, as a matter of fact we have written them and they would not sell us. I just wanted to ask that question, and he answered it very prompt.

Mr. CARVELL.—And you say they would not sell you at the discounts?

Mr. NESBITT.—Not at such discounts as the government would get.

*By Mr. McKenzie:*

Q. You said a moment ago that you belonged to some association that agreed to give the Government certain prices. How was that information conveyed to the government?—A. We did not convey any information to the government, but put them on what is called the 'Jobbers' list.

Q. Did you convey to any Department of the Government information as to what your prices would be when dealing with the Government?—A. Not that I am aware of.

Q. What did you mean—you say that your association agreed to give the Government certain prices?—A. Yes.

Q. What do you mean by that?—A. We classified railways and Governments as 'Jobbers,' put them on what is called the 'Jobbers' list.

Q. Are you a traveller?—A. I am.

Q. And in dealing with firms do you show them your catalogue?—A. We do.

Q. And then you say that you take 60 per cent off the catalogue price?—A. We do.

Q. And then, how many? 10 per cent?—A. 10 per cent.

Q. And then 2 per cent—

Mr. CARVELL.—And then another 10 per cent first.

*By Mr. McKenzie:*

Q. And then 10 per cent?—A. Yes.

Q. And then 2 per cent?—A. Yes.

Q. How do you calculate that? Do you calculate that every time you make a sale?—A. Well, that varies a lot.

Q. How do you make the calculation?—A. It is a matter of arithmetic.

Q. Let me understand how you figure this out. Supposing that it is \$100. Do you take 10 per cent off the \$100., and then 10 per cent off the hundred again, or do you deduct as you go along, and do you allow a percentage on some rule, is that the way you do?—A. There are many ways of arriving at it.

Q. You need not smile, I am in dead earnest?—A. I was going to say there are many ways of arriving at it, you can do it one way one time and another another.

Q. Tell me one of the ways. Bring up one item and tell me how you would calculate it?—A. Well, what item?

Q. Take your catalogue price of an article at say \$100?—A. Yes, you would take 60 per cent off that.

Q. That leaves what?—A. \$40, would it not?

Q. Then what do you do again?—A. Then you take another ten do you not?

Q. Off what?—A. Off the \$40.

Q. And that leaves?—A. \$36., would it not.

Q. Then what do you do with that?—A. Take another 10 off.

Q. And how much will that leave, then?—A. 10 off, that is \$3.60, isn't it, off.

Q. And what would it be when you get down to the bottom price?—A. That will make \$32.40.

Q. And then you take 2 off that again?—A. 2 per cent off of that.

Q. How much would be left then?—A. \$31.80, would it not.

Q. And that is the last price, that is your selling price?—A. That is our selling price.

Q. Is that the way you deal with the trade?—A. We do.

Q. That is the way you sell to the trade?—A. We do, that is our way of doing business.

Q. Now, what do you mean by 'that is our way of doing business' do you call that honest business?—A. We do.

Q. And if a man comes into your store anywhere in Canada, and asks for an article that he sees on your catalogue, and he asks you in your store, 'What would you sell it to me for?' he does not know anything about these discounts, how do you sell it?—A. They find out who he is first, whether he is a middleman or an ordinary individual; there is a distinction made between people.

Q. If you think he can be 'buncoed' and 'jewed' you bunco him?—A. No, we do not.

Q. Will you charge him the full prices if he is not up to your standard?—A. Less the discount.

Q. Do you know, as a matter of fact, the prices which were paid to your firm for the goods that you are dealing with this morning?—A. Do I know the prices paid?

Q. Do you know, as a matter of fact—now be careful—your firm sold them to someone, did they not?—A. I do not know whether we sold the goods.

Q. Perhaps I did not understand you. What I understood was that you sold these goods to a middleman who sold them to the Government?—A. No, I did not say that.

Q. Well, where do you come in here, anyhow? You are an expert, are you?—A. I am a commercial traveller.

Q. You are in a position to say that there was any wrongdoing about this sale regarding which you are giving evidence this morning, do you?—A. I do not pretend to.

Q. You do not pretend to?—A. No.

Q. You are dealing with a suppositious case altogether this morning?—A. No, I am not.

Q. You do not know that in any case the Government has lost any money in these transactions on which you are giving evidence?—A. It says so on the invoices.

Q. Do you know, and are you in a position to say that the Government could have done better than they did?—A. Yes.

Q. How?—A. By buying direct.

Q. By buying from you?—A. Or any other manufacturer.

Q. Did you make any proposition to the government at any time, or to any department of the Government, for the sale to them of these goods?—A. I cannot answer that question.

Q. Did you, or did you not?—A. I have, personally, at one time.

Q. How long ago?—A. Four or five years ago, four years ago.

Q. That is the last time you made any proposition to the Government to sell to them, and when you look at these invoices you do not know whether that was the actual price paid by the government or not?—A. Only so far as the figures on the invoice go to show.

Q. You are the gentleman I met this morning looking for Mr. Taylor, before you came up here to give your evidence?—A. I presume I may have asked you.

Q. I suppose you wanted to confer with Mr. Taylor before you gave your evidence, did you?—A. I do not know, I am sure—

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Q. You would not care to answer that?—A. I do not know—

Q. But you were anxiously inquiring for Mr. Taylor?—A. I wished to locate him

Q. I suppose you had a letter from Mr. Taylor to come here?

Mr. REID (Grenville)—He was subpoenaed.

*By Mr. McKenzie:*

Q. Did you not have a letter from Mr. Taylor?—A. No, I did not.

Q. Then how comes it that you were looking for Mr. Taylor.

Mr. TAYLOR.—I had him subpoenaed.

Mr. MCKENZIE.—A special subpoena?

Mr. TAYLOR.—No, a summons issued from the Committee here?

Mr. MCKENZIE.—Did Mr. Taylor's name appear on the subpoena? Why did he want to see Mr. Taylor?

Mr. TOBIN.—They belong to the same political party.

*By Mr. Northrup:*

Q. As a matter of fact, have you ever sold any belting to Mr. Taylor?—A. Not to him personally.

Q. But you have through the superintendent?—A. Yes.

*By Mr. Taylor:*

Q. I have an invoice here (handing document to witness). That is an invoice from your firm, is it not?—A. Yes.

Q. When is it dated?—A. December 5, 1908.

Q. And how does it read?—A. It is, 'To the Ontario Wheel Company, Gananoque.'

Q. And it is for what?—A. 25 feet of 2½-inch single extra oak-tanned leather belting at 60 cents, \$15, less 60 and 10 and 10.

Q. That is less 60 and 10 and 10 for 25 feet of belting that you sold to the Ontario Wheel Company?—A. Yes.

*By Mr. Pardee:*

Q. You say that if parties who bought belting from you did not know of it they would not get that discount, is that right?—A. We always find out who we are dealing with.

Q. Supposing that you did not find out who the parties were who were buying would they get the discount?—A. We have to find out who we are selling to.

Q. Now, if you are selling to anybody you do not know, if they ask you for prices do you quote them the discounts when you quote them prices?—A. Certainly.

Q. You say it is \$2.40 less 60 and 10 and 10?—A. Yes.

Q. If I went into your store and asked you the price at which you sold belting would you say \$2.40, and give me these discounts right away?—A. If you were a lumberman we would.

Q. But supposing the party was not a lumberman, would you?—A. I do not know.

Q. What would you do with anyone who never heard of that discount?—A. If you were a jobber and going to sell it over again we would allow it.

Q. Supposing you did not know that I was going to sell it over again?—A. Then you would be a consumer.

Q. And you would charge me what?—A. You would get 60 and 10 and 2 off, that is as a consumer.

Q. When this belting was sold to the government do you know whether or not the government was aware of the discounts?—A. No, I do not.

Q. If they did not know about the discounts the prices would be just quoted at \$2.40?—A. Yes.

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Q. If the government did not know, the price would be quoted at \$2.40, is that right?—A. The government did not buy the belting—

Q. Who bought it?—A. Lymburner bought the belting.

Q. And it was sold to the government?—A. We presume so.

Q. When Lymburner bought it, what was it sold at?—A. At the jobbers' discount, I presume.

Q. You do not know that?—A. I do not know.

Q. You presume that?—A. Yes.

Q. If he turned around and sold it to the government without the discount who would be to blame then?—A. That would be their business, the government's.

Q. And if they did not get the discount no one would be to blame then, that is right, isn't it?—A. You should go to the government, I am not supposed to know what they knew.

Q. If they did not know, and they bought it without discounts—nobody would know—the discounts would not necessarily be quoted to them, would it?—A. They could find out.

Q. They could find out, but it would not necessarily be quoted to them?—A. If it was bought from the manufacturer it would be quoted to them..

Q. I ask you, would it necessarily be quoted to them?—A. I could not answer that question.

Q. You could not say either yes or no?—A. No.

Q. That is all I want.

The CHAIRMAN.—Are there any more questions to be put to this witness. If not, shall the witness be discharged?

Witness discharged.

The CHAIRMAN.—Is there any other evidence on this item, or is this inquiry to be closed?

Mr. CARVELL.—We want this enquiry to stand as we would like to bring a witness from the department. Let it stand until Wednesday next.

Committee adjourned.

COMMITTEE ROOM No. 32,

HOUSE OF COMMONS,

WEDNESDAY, March 24th, 1909.

The Select Standing Committee on Public Accounts met at 11 o'clock a.m. Mr. McColl in the Chair. The Committee proceeded to the consideration of payments amounting to \$2,503.97 to Lymburner Limited in connection with the Montreal old examining warehouse as set out at page V-52 of the report of the Auditor General for the fiscal year ending March 31st, 1908.

L. M. LYMBURNER called, sworn and examined:—

*By Mr. Pardee:*

Q. Mr. Lymburner where is your residence?—A. 15-16 St. James Street, Montreal.

Q. What is your business?—A. Engineer, machinist, brass moulders, finishers.

Q. And you supply goods?—A. Some kinds of goods we supply.

Q. To shorten the matter there was a Mr. Moody here the last time the Committee met who gave evidence regarding the sale of certain goods to the Public Works Department in Montreal, these goods being set out in the invoices here. Now what



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he said was that jobbers and the government was put in that category were entitled to a discount of 60, 10, 10 and 2 and that that discount had not been given by you though the government were entitled to it. I would like you to give to the Committee in your own way an explanation as to why that discount was not given?—A. Well, in the first place, the government is not considered a jobber. It would be considered as a consumer and I do not believe anybody would sell to the government at those figures.

Q. You mean 60, 10, 10 and 2?—A. Yes. 2 is not a trade discount it is a cash discount, and I believe nobody would consider the government as a jobber but would consider the government as a consumer. In this particular case it is altogether different from others because the invoice says that we supplied the goods and put on the belts, stretched them and were called upon to do the work under special conditions. It was after the fire in the examining warehouse and we had to supply the belts to the department and put them on. We went and got the belts, delivered them and put them on, and all that is charged in with the price of the belting. Besides that we went and took the measures for the belting, either I myself or my foreman because it had to be done right away. There could be no delay.

Q. Your men did that?—A. Our men did that and the price is included in the price of the belting.

Q. Then there was special work done in the putting on of this belting—is that right?—A. Yes.

Q. And did you consider the special work which was done to be in lieu of the discount that might be given to the government?—A. I would not do it today under that price and under those conditions, because we had, as I have said before, to put the belts on and we had to drop other work to go and put them on.

Q. Why was it you had to do that?—A. There had been a fire in the examining warehouse and all their elevators were not running. Consequently they could not use the top floors of the warehouse and the moment the elevator was ready no matter whether it was at night or in the day time, we had orders that as soon as the elevators were ready we should go and take the measures and put on the belting.

Q. So you held yourself ready at the special orders of the department to do this work?—A. That is right.

Q. And you might have to drop other work in order to complete this?—A. Yes. We had to be ready at any minute.

Q. And by reason of that you gave to the government no discount such as was stated here?—A. We have given discount and it is here on our bill.

Q. How much have you given?—A. 10 per cent.

Q. And that is all?—A. That is all I would give today if I was called upon to do the work under the same conditions.

Q. If called upon to do the same thing today you would charge the same price?—A. Yes.

Q. And you do not think the discount of 60, 10, 10 and 2 applies to this work?—A. Surely not, nobody would give it.

Q. What discount do you still give in the event of not doing this amount of special work?—A. We do not manufacture this class of goods. We have to go out and buy them. It is a little out of our line.

Q. Do you know if this 60, 10, 10 and 2 discount is always given by Mr. Moody's firm?—A. No sir, the same concern D. K. McLaren of which Mr. Moody is sales manager has sold to the department without putting the belts on simply supplying them and not taking the measures and sold at 50 off the list price.

Q. Which is different from 60, 10, 10 and 2?—A. Certainly.

Q. Then is there a difference in the discount allowed as between a jobber and a consumer?—A. Oh yes, there is a difference of 10 per cent.

Q. The jobbers are entitled to more discount than the consumer?—A. 10 per cent.

*By Mr. Rhodes:*

Q. In what instance did the McLaren Company sell to the government?—A. On 4th April, 1907.

Q. What was the circumstances?—A. An ordinary order.

Q. How much belting?—A. The invoice will tell you better than I can. It is in the Auditor General's Report.

Q. Were you looking at it this morning?—A. No sir.

Q. In the Auditor General's Report for what year?—A. I believe it is in last year's report.

Q. Do you remember how many feet?—A. In one case it was 60 some odd feet and on the 8th August there was another invoice.

Q. 1907 also?—A. 1907 also.

Q. The discount in each case was 50 per cent?—A. Yes and they only supplied the belting, they did not go and take measures and did not put them on. They did not do as we did.

Q. What buildings were they supplied for?—A. One was for the post office and the other for the examining warehouse in Montreal.

Q. From whom did you purchase this belting in question that you sold to the examining warehouse?—A. Well, I could not say positively. I believe it was from D. K. McLaren or J. C. McLaren Belting Co.

Q. They are Montreal manufacturers are they?—A. Yes.

Q. Which firm is it that Mr. Mody represents?—A. D. K. McLaren. The one that sold the belting to the department.

Q. Did you ever sell belting to anybody else?—A. On some occasions yes,

Q. When?—A. I cannot say when. As I said before we are machinists.

Q. Did you ever sell belting to anybody else but the government?—A. Yes, we did.

Q. To whom?—A. Well it is pretty hard to say speaking from memory.

Q. Give me one instance?—A. I remember one big order we got for about \$3,000 worth where we did not put it on, and we charged freight on the same. It was to the owner of a sawmill.

Q. Where does this man live?—A. In L'Anonciation in Terrebonne County.

Q. How long ago would that be?—A. Four or five years ago.

Q. Did you sell it to him for less prices less 10 per cent?—A. No, it was not under the same conditions.

Q. What did you sell it to him for?—A. I could not say—I think it was 40 or 50 off.

Q. Are you on the jobbers list or consumers?—A. We are on the jobbers list.

Q. You say that you think the government would be on the consumers list?—A. Yes. I do not say I think; I do not know of an instance where the government was sold to as jobbers.

Q. You do not as a matter of fact know that they are not on the jobbers' list?—A. I could not say. I know positively they would not be considered such. They are not jobbers they are consumers. This belting business is under a combine and we are supposed to go by it.

Q. With reference to this invoice, December 19, 1907, I notice 'All put up stretched and wire sewed.' And you say that because you put up this belting, measured it and stretched it, that the price you charged in the invoice is a fair price?—A. Yes, and I would not do it to-day under the same conditions for less money.

Q. Referring to the invoice of January 15, 1908, I do not see any indication there that those belts were put up or stretched?—A. They are put up in the same way. Evidently it has been forgotten by the clerk who made up the invoice. They were put up in the same way.

Q. Evidently forgotten by the clerk?—A. I swear they were put up in the same way.

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Q. You swear they were put up by your firm?—A. Every one of them.

Q. Examine that invoice carefully. Is the belting there referred to the belting which was sold to the government as indicated in this invoice, single or double belting?—A. It was double.

Q. You swear positively it was double belting?—A. I do.

Q. Was it the best quality of double belting?—A. Yes, sir.

Q. You notice there is no indication or reference to double belting?—A. I do, but I see that the price charged is for double and I know it was supplied double.

Q. Do you remember having anything to do with its being removed to the warehouse?—A. I do not know about that.

Q. Then why do you say it was double belting?—A. Because I know it was all double belting that was supplied.

Q. How do you know?—A. Because we would not supply anything else.

Q. That wont do for an answer?—A. I can go and see at the examining warehouse and report, but I know positively they would not supply anything else. I did not see it. I might have seen it but I cannot swear in regard to this invoice. It is over a year ago.

Q. Now, Mr. Lymburner, can you swear of your own personal knowledge that all of this belting covered by those four invoices and supplied to the government, was double belting?—A. Yes.

Q. You swear of your own knowledge?—A. Yes.

Q. Did I not understand you to say a moment ago that you did not examine the belting?—A. I cannot swear that I examined one special lot more than another, but I know we would not supply anything else and charge for double.

Q. Shall I put it this way—do you assert—

Mr. MACLEAN (Lunenburg).—That is a fair answer.

Mr. PARDEE.—He swears positively he supplied double.

Mr. RHODES.—I am putting a fair question to the witness and I have a right to get an answer.

*By Mr. Rhodes:*

Q. Is that the only foundation for giving that answer?—A. I say that when we charge the price for double belting we would not supply anything else, and I swear to it.

Q. Will you admit that it was possible for your clerk to make a mistake in the invoice?—A. No, not from that basis.

Q. Did your clerk ever make a mistake?—A. Surely, there is no man who would not make a mistake.

Q. But you say there would be no mistake for single or double?—A. I say that I am positive, although I did not see it, that double belting was supplied.

Q. Might there be some lengths of belting in the belting supplied by you to the government for the old examining warehouse which was single belting?—A. No, sir.

Q. You are positive of that?—A. Yes sir, I am.

Q. Now examining this invoice for January 21, 1908, you will notice that in this invoice it does not say that the belting was double or that it was put on, stretched, or wire laced?—A. It is the same case as the other.

Q. Would you call that an omission?—A. It was certainly an omission that it was not said, because double belting was supplied for all those elevators and they were put up every one of them.

Q. Now referring to the invoice of February 14, 1908, you will notice that it does not say there that this belting was double nor that it was put up, stretched and spliced?—A. It says it was put up but it does not say it was stretched.

Q. Where does it say it was put up?—A. It says wire sewed.

Q. That does not say that it was put up?—A. If you sew a belt it means that you put it up. You do not sew it until you put it up.



*By Mr. Stanfield:*

Q. Does not the manufacture make a belt wire sewed at every joint?—A. Wire screwed, not wire sewed.

Q. Wire laced?—A. Yes, that is what it says, but it is not sold that way. Wire lacing is making a joint to the belt.

Q. Did you say that it was put on wire for an elevator?—A. Yes sir, and they are there still and have never been touched.

Q. Are you aware that manufacturers of belting will stretch it for you?—A. When you give them time to do so they might do so.

Q. For putting up four or five inch belting the expense should not be very great?—A. This belting we put on with stretchers to make sure that we would not have to take them off the next day.

Q. Your business is a foundry, I think?—A. We are engineers and machinists.

Q. And you have never sold one other lot of belting besides this lot here that you had to put up?—A. I cannot remember names.

Q. Have you got special belt men to do this work?—A. No, when we get orders like this we have to get machinists to put them up. We have no special men for belting.

*By Mr. Rhodes:*

Q. I wish you to examine these four invoices carefully so that you can be familiar with the quantity of belting sold to the government. I want you to take a memorandum of the lengths starting with the invoice December 19, 1907. There is 33 feet 5 inches, 33 feet 7 inches and 33 feet 10 inches; that makes a total of 100 feet 10 inches for the invoice of December 19, 1907. Now refer to the invoice of January 15, 1908, and figure up the total number of feet?—A. 94 feet 11 inches.

Q. That is all 5-inch belting in the first two invoices. Now referring to the invoice of January 21, 1908, in this invoice there is one belt 32 feet 6 inches, 4 inches in width. The other two pieces are each five inches. For the sake of convenience we will count them as 5-inch belting. That would make 99 feet 6 inches?—A. Yes, sir.

Q. Now referring to the invoice of February 14, 1908, the quantity in this invoice is 96 feet 4 inches. Now add the aggregate feet of the four invoices. I think you will find that that makes a total number of feet of 391 feet 7 inches?—A. Yes, sir.

Q. How many belts are there in that total number of feet? I think the number of belts is twelve?—A. Yes.

Q. How many men did you have employed in stretching, lacing and putting on those belts?—A. We had two men when we were putting them on. I cannot swear positively that in every case the foreman stayed there all the time to see that it was properly put on but I know that in some instances he did.

Q. You had two men employed—A. Yes, sir.

Q. I want you to give me now as nearly as you can your estimate of how many days it took those two men to measure, stretch and attach those twelve belts?—A. That is not a fair way of putting it because the twelve belts were not put together.

Q. I want you to give me your estimate of how many days those two men were employed in measuring, stretching and attaching those twelve belts?—A. Well, I cannot say anything positive about that.

Q. Why?—A. Because I do not know.

Q. Your answer is that you do not know?—A. I do not know exactly.

Q. Then I want you to give me your estimate as a man familiar with this line of business of how long it would take two competent men to measure, stretch and apply twelve belts under circumstances similar to those which applied in the old examining warehouse?—A. I cannot say that.

Q. You can?

Mr. PARDEE.—Those men worked at odd times.



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*By Mr. Rhodes:*

Q. Would it take one day for two men?—A. I am positive it would take more than that, but I cannot say exactly.

Q. Would it take a month for two men experts in their line of business to measure, stretch and apply twelve belts?—A. No, I do not suppose it would.

Q. Would it take three weeks?—A. It depends.

Q. Under circumstances precisely like those in the old examining warehouse, I want you to tell me as an expert?—A. I am not an expert. I never said I was.

Q. With your knowledge of the belting and machinery business such as it is, do you think it would take two expert men three weeks?—A. It depends on the conditions altogether.

Q. I say with conditions similar to those?—A. I cannot make an estimate.

Q. You have already said it would not take a month?—A. I do not think it would.

Q. Do you think it would take three weeks?—A. I have said I cannot make an estimate. It depends on the conditons, I cannot say.

Q. Under conditions like those would it take three weeks?—A. I cannot say.

Q. What rate per day would be paid to expert men for applying belting, stretching it and measuring?—A. I have never employed expert men for putting it up.

Q. Do you mean to say you did not employ expert men?—A. No sir, I put machinists on to tho work.

Q. Were they not experts?—A. They were expert machinists but not belt men.

Q. What do you pay your machinists per day?—A. I cannot say. We pay our men from 23 cents to \$3 a day. We pay one man \$6 a day.

Q. Did you take the \$6 a day man?—A. Yes, he is the man who in some cases took the measurements and in some cases I went myself.

Q. The \$6 a day man is the foreman?—A. Yes.

Q. How long do you say he was employed in stretching, measuring and attaching that belt?—A. I do not know.

Q. You cannot say?—A. No, sir.

Q. Was he there one week measuring and stretching?—A. I cannot say, I do not know what time he was there.

Q. Might he have been there?—A. I know he was there on some occasions.

Q. Was he there altogether one week?—A. I cannot say.

Q. Are you the manager of your business?—A. Yes.

Q. Would anybody else have a more intimate knowledge of this transaction than yourself so far as your company is concerned?—A. No, sir.

Q. Did you measure any of those belts yourself?—A. Yes.

Q. How many?—A. I cannot say. I think it was only one. It might have been two.

Q. Did you stretch any one of them?—A. No, I did not go to have them put on at all.

Mr. GEORGE TAYLOR.—The manufacturers always stretch them.

*By Mr. Pardee:*

Q. They did not in this case?—A. No.

*By Mr. Rhodes:*

Q. You have already said you had two men employed in measuring, stretching and attaching those belts?—A. Yes.

Q. And I understood you to say it would not take them a month?—A. I said I did not think it would. I did not say it did not.

Q. Do you say it might have taken a month?—A. I cannot say what time they would take. It would depend on circumstances and conditions.

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Q. Do you say you have no idea how long they were?—A. I have none at all.

Q. You have stated that you pay your foreman \$6 a day?—A. Yes.

Q. And you pay your machinists from 22 cents to \$3?—A. Yes.

Q. Now, Mr. Lynburner, taking one machinist your foreman at \$6 a day and one of your best machinists at \$3, which would be \$9 per day, and taking one full month of 24 working days at \$9 a day that would be \$216. Would that be an ample sum to pay for measuring, stretching and applying of those 12 belts?—A. I do not know.

Mr. PARDEE.—He had to have these men ready to work at all times.

Mr. J. D. REID.—I think the witness should state how long it took him or how long it would take him to measure those belts. He knows as well as any one on this committee. I ask him now to state how long it would take a man to go from his plant, take a measurement and return?

Mr. PARDEE.—He has not been asked that.

Mr. J. D. REID.—I ask him now to take the first belt, and I ask him how long it took to measure it?

Mr. PARDEE.—He has had hypothetical cases put to him all the time.

Mr. RHODES.—I have asked him a dozen times how long his men were employed

*By Mr. J. D. Reid:*

Q. The first belt is 33 feet 5 inches in length. I ask you how long it took you or your men to go and take the measurement of that belt and return to your place of business?—A. When you ask how long it took I say I cannot say.

Q. Did it take a whole day?—A. It would not.

Q. Would it take two hours?—A. More than that probably.

Q. Would it take more than half a day?—A. I don't suppose it would.

Q. Would it take more than half a day to take the measurements of one of those belts?—A. No.

Q. Then you limit it to half a day?—A. There is no telling how long it would take a man. You cannot follow your men all the time. You might say how long it should take.

Q. We will take that as an answer. But take that belt and tell me did it take more than one day in putting it on?—A. No, I do not suppose it would take him a day. There was more than one man. There were three.

Q. Then for a 5-inch belt, you swear it took three men to put on a 5-inch belt?—A. This was a particular case where there was not a minute to lose and we sent two men to put on a belt and the foreman stayed there all the time in some cases.

Q. Then if there were three men employed it did not take more than one day?—A. I do not suppose it would.

Q. There were four different days according to the invoices on which those belts were supplied. And according to your evidence more than four days were required for putting the belts on. That is a day for each belt?—A. You must remember that if we pay our men—

Mr. J. D. REID.—It does not make any difference what you pay.

Mr. PARDEE.—Oh yes, it does.

*By Mr. J. D. Reid:*

Q. I am asking you the question did it take more than one day for each belt?—A. I say it depends on the conditions on which they were put on. If they were put on at night I would have to pay my men time and a half and the foreman besides.

Q. Were they put on at night or during the day?—A. Some at night and some in the day time.

Q. How many at night?—A. I cannot say.

Q. Then for those put on in the day time you would only pay your men day labour, but the ones at night would get more?—A. We would pay them time and a quarter or time and a half or double time according to the time they were put on.

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Q. You are not able to say which part of them was put on at night?—A. I know there were some.

Q. What rate of wages do you pay the man you sent to do the work?—A. I do not know which man it was.

Q. You say that this man who gets \$6 a day was sent each time to put on the belts?—A. I am positive he went but he did not do the work; he simply supervised the work and made sure that it was done properly.

Q. And stayed there the whole time?—A. I do not say in every case. In some cases he did.

Q. But not in every case. And his time is charged to each of these belts?—A. No.

Q. In some cases there was only one man?—A. I said there were two men in every case.

Q. When they went and put on those belts do you swear they took a whole day in each case?—A. I do not swear anything of the kind.

Q. It might have been less?—A. It might have been more.

Q. Can you tell us how much time it would amount to?—A. I cannot make up any figure and swear to what time it took.

Q. We will take one belt at a time. There were two men on that belt for one day. For one day there was \$6 for putting on one belt?—A. I cannot say it would not average more than that.

Q. You say that on one belt there were two men all the time. If they were a full day that would be \$6. Supposing the foreman was on, it would cost \$12.—A. Yes, sir.

Q. And the other two \$12 each, that would be \$36 and one day at \$6 would make \$42. I am allowing for two men and a foreman each day for three days and then two men for one day. That is \$42? Will you swear it comes to more than that for putting on those four belts?—A. I won't swear to anything of the kind.

Q. You won't swear it comes to more than that?—A. No.

Q. Will you swear it cost you less than that?—A. I will not swear either way.

Q. You admit that is the outside that it would cost?—A. I said it should be done in that time but I do not say it was or was not.

Q. As I understood you it would take a day at the outside in each case?—A. It should take a day at the outside but I do not say it took more or less.

Q. Is it not the fact that the manufacturers from whom you purchase belting send their own men to put it on?—A. No, it is not customary.

Q. Have you ever known it to be done?—A. When you put a large belt on, 12 or 14-inch belt, they sometimes put it on if you ask them.

Q. In this case, did you ask the manufacturer to take the measurements?—A. We took the measurements, and put it on ourselves.

*By Mr. Pardee:*

Q. Sometimes the machinery was running when you went to put them on, was it not?—A. No, there was no machinery running at the examining warehouse.

Q. None at all?—A. No.

*By Mr. Rhodes:*

Q. Now, Mr. Lymburner, would \$200 be a fair estimate of the cost, a fair allowance for measuring, stretching and applying those 12 belts?—A. I could not say under those condition, because they are very special conditions.

Q. What makes you think you would not like to supply the government again?—A. I said not for less money.

Q. Why?—A. Because it is worth that under those conditions where you have got to drop everything else. You might lose a customer by leaving his work to go and do this.



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Q. How do you estimate your profits?

Several MEMBERS.—Do not answer that.

Q. You have already stated that the jobbers discount is 60, 10 and 10?—A. Yes, sir.

Q. You have stated that the 2 per cent is extra discount?—A. Cash discount.

Q. But in the ordinary case where the government purchases its belts you admit it would be placed on a consumers' list?—A. Yes, it should be placed on a consumers' list. I do not say they are.

Q. You say they should be. Admitting that the government was placed on a consumers' list, they would be entitled to a discount of 60 and 10 per cent?—A. If they were put on a consumers' list, yes.

*By Mr. Pardee:*

Q. On the consumers' list or jobbers'?—A. On the consumers'.

*By Mr. J. D. Reid:*

Q. Do you charge others at the same rates?—A. No, sir, they are not in my line of business.

*By Mr. Rhodes:*

Q. Taking the aggregate of these four invoices, you have the sum of \$924.08. The consumer's discount on that, which is 60 and 10, would amount to how much?—A. I do not know. The government would not get that generally.

Mr. PARDEE.—We will admit Mr. Moody's figures if you think it will help you along.

Mr. RHODES.—I want to get the witness' own statement for it. With 60 and 10 off, the total in this invoice would have been \$332.67?—A. Yes, sir.

Mr. PARDEE.—Is that \$591 the difference after deducting 60, 10, 10 and 2?

Mr. RHODES.—No, just 60 and 10.

*By Mr. Rhodes:*

Q. Does that sum of \$591 not represent the amount which you charged in this instance for measuring, stretching, applying those belts?—A. No, it does not.

Q. Is it your profit?—A. The profit is understood in that. The running expense of my business and my profit and the putting up and the measuring and everything are included.

*By Mr. Pardee:*

Q. Some of the belts were endless belts?—A. We made them endless at the spot.

Q. That would take some considerable time?—A. More time than the ordinary belts.

Q. Your first invoice here is December 5, 1907, and your last February 14, 1903, and during that time you were engaged in the work. Is that right?—A. Yes, sir. We were ready at any time to do that on the government's orders.

Q. I show you a couple of invoices of D. K. McLaren Company, who are Mr. Moody's principals. What do these invoices say?—A. It says here that they sold on April 4, 1907, 60 feet of 4-inch double.

Q. To whom?—A. To the Department of Public Works.

Q. What is the discount there?—A. Fifty off.

*By Mr. Carvell:*

Q. What kind of belting?—A. Double.

Q. What is the size of it?—A. Four inches.

Q. What is the catalogue price?—A. \$1.92, the same as we have on our invoice.



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*By Mr. Northrup:*

Q. What is the amount of that invoice?—A. \$57.60.

*By Mr. Pardee:*

Q. What does this invoice say?—A. 100 feet of three-eighths. \$1.75 net lowest price.

Q. No discount?—A. No discount.

Q. And this one?—A. This one is 27 feet 10 inches of 4-inch double at \$1.92 and 50 per cent off.

Q. No 60, 10, 10 and 2 there?—A. No.

Q. These were supplied by McLaren to the Public Works Department?—A. Yes, delivered to the examining warehouse.

Q. Right there in Montreal?—A. Yes.

Q. And that is the same place that you delivered the goods to?—A. Yes, but under different conditions. They did not put on the belts. They simply supplied the belts.

Q. They simply took them there, unloaded them and put them there?—A. Yes.

*By Mr. George Taylor:*

Q. How do you know that?—A. I have inquired.

Q. From whom?—A. From the department at Montreal.

Q. Your evidence is that they did not apply them?—A. Yes.

Mr. GEORGE TAYLOR.—I know that manufacturers do apply them.

Mr. CARVELL.—I bought 1,000 feet of belting from D. K. McLaren and they did not put them on.

*By Mr. Northrup:*

Q. You have been going through some of the accounts of the J. C. McLaren Belting Company, have you not?—A. The D. K. McLaren Company.

Mr. CARVELL.—Yes, just to show that Moody was wrong in his evidence when he stated that the government was treated as a jobber. There is evidence right there in these invoices that D. K. McLaren only allowed 50 per cent.

*By Mr. Northrup:*

Q. I suppose that all the production shows that in that particular case they did not give to the government what their man swore they might give. Did you look through this statement that Mr. Rhodes had showing what the price of this belting would be to a jobber with 60, 10, 10 and 2 off?—A. I think I saw that.

Q. What do you say was the price to a jobber with the jobbers' discount of 60, 10, 10 and 2 off?—A. I do not know if those figures are right.

Q. What would you say would be the price of this belting sold to a jobber with the 60, 10, 10 and 2 off?—A. The two has got nothing to do with it.

Q. What do you say would be the price to a jobber if he was to pay cash?—A. I will figure it out. \$293.42.

Q. To a jobber?—A. Yes. That would be according to the price you have given me.

Q. The price being \$924.08?—A. According to the price you have given me taking off discount.

*By Mr. Pardee:*

Q. That is not the price you gave?—A. Not by any means. That is the price this gentleman has given me.

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*By Mr. Northrup:*

Q. That would be on the original invoice price if sold to the jobber with 60, 10, 10 and 2. \$293.42. Am I correct in saying that you justify charging \$831.68 on the ground that in addition to giving the belting you measured and stretched and spliced the belting under the inconvenient circumstances you mentioned?—A. Yes. I do not know that the ground you mention is right but I charged so as to cover that and it is worth that to us.

Q. And you have already sworn that you cannot give any idea of what the cost to you would be of measuring and splicing and doing this work?—A. I cannot swear to what the cost would be.

Q. And yet it was on the basis of that cost which you cannot even estimate that you charged the government what you did?—A. A year ago we could estimate it, but I cannot do so now.

*By Mr. Pardee:*

Q. You say that you did not give the discount that Moody says should be given but which you dispute on the ground that you did the work under very inconvenient circumstances, that you stretched and spliced and put in place the belting, that you gave up any other customer you might have had to do this work at any time, that you worked your men nights and days and gave your time to the job irrespective of any other. Is that right?—A. Yes.

Q. In fact you suspended business to put it up?—A. We did not stop the factory.

*By Mr. Kyte:*

Q. Do you charge the same to others?—A. We do not supply goods under the same conditions.

Q. If you did would you make the same charge?—A. Yes.

*By Mr. Northrup:*

Q. On your oath do you think any other consumer would have paid such a bill?—A. If a customer gave me an order for the same thing and I charged it, I would make him pay it.

Q. Do you think you could make him pay it?—A. Yes.

*By Mr. Pardee:*

Q. I want to put in a letter with the committee's consent from J. S. Murphy, who is the agent at Montreal. It is dated 22nd March, 1909, and is as follows:—

'Sir,—With reference to enquiry from Chief Architect *re* belting supplied to examining warehouse, February 1908, I beg to report that this was rush order to get the freight elevators running soon as possible after the fire. The order was given to Messrs. Lymburner to carry this work as soon as possible. Their foreman measured for these belts and afterwards put these belts in place, specially stretched with clamps ready to run, which time is included in cost of belts. They supplied in some cases endless belts and in other cases laced belts all through the laces. Some of this work was done at night and balance in day time.'

*By Mr. J. D. Reid:*

Q. Is he the man who certified to these accounts?

Mr. PARDEE.—Yes.

*By Mr. Geo. Taylor:*

Q. The only stretching you did to these belts was pulling the clamps together while you laced them?—A. That is stretching belts.

## APPENDIX No. 1

Q. That is the only tretching you did?—A. I was not there when they did the work. I do not know how it was done.

Q. Do you know how a belt is done?—A. You can sew the belt and put it on without stretching.

Q. If you put on belts you have got to put on clamps?—A. You measure what it would take and then put it on when it is sewed on with stretchers.

Q. You have been in the habit of putting on belts in your own machine shops?—Yes, sometimes.

Q. Would it take you more than two days to put on 12 belts, 5-inch belts, yourself?—A. Myself?

Q. With a helper?—A. There is a good deal of difference between working in my own shop and where this was done.

Q. Could you put on 12 belts of this length in your own shop in two days?—A. I could not say whether I could or not.

*By Mr. J. D. Reid:*

Q. Can you tell me from whom you purchased those belts?—A. I think it was from D. K. or J. C. McLaren or both.

Q. You said the government purchased from D. K. McLaren?—A. Yes, the invoices are there.

Q. Do you say you saw it in this book? (The Auditor General's Report).—A. No sir, I did not. I think one of the members told me it was there, but I do not know.

Q. What gentleman showed you it in this book?—A. Nobody.

Q. This man Thibault, he is in the government employ.

*By Mr. Northrup:*

Q. There is nothing on the face of this invoice to show that it has ever been paid?—A. I have been told it was paid in 1908.

*By Mr. J. D. Reid:*

Q. But you do not know that the government ever paid this invoice?—A. I never saw it.

Q. Who gave you these invoices?—A. I did not have them. Mr. Pardee had them.

Q. From the department?

Mr. PARDEE.—Yes.

Witness discharged.

Mr. RHODES.—I move that the evidence be printed from day to day.

Carried.

Mr. CARVELL.—Before we adjourn I wish to give notice that at some future meeting of this Committee I intend to move a resolution that a report be made to the House recommending that in each of the purchasing departments an official be appointed whose duty it will be to certify as to the justness of accounts from the standpoint of prices before payment. I think the government of Canada should be in the same position as an ordinary individual; if they are buying small articles they are justified in going to a retailer and buying them. But we have had from the evidence that D. K. McLaren & Company are selling belting in one case at a discount of 50 per cent. It is not in evidence but it is in the Auditor General's Report that the same firm are selling belting at jobbers discount. Now we have also evidence that the Public Works Department have paid much greater prices than D. K. McLaren charged, less 50 per cent. That is, we have three sets of prices paid by the government for leather belting. I do not think it would be possible for the Department of Public

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Works to have a purchasing agent in the sense that one man could go all over the country, but I think there should be an official of the department, and I think we have justification for that in the results produced here by the evidence given in connection with the purchasing of supplies for the Transcontinental. I think every member is satisfied that the government is buying these goods at the very lowest possible prices, and for these reasons I am giving notice that I am going to move such a resolution. I would do it to-day, but the Committee is very thin and I do not think it would be fair to bring it up.

## HOUSE OF COMMONS,

ROOM No. 32,

WEDNESDAY, March 31, 1909.

The Select Standing Committee on Public Accounts met at 11 o'clock, a.m., Mr. McColl, presiding in the absence of the Chairman.

The Committee proceeded to the further consideration of payments amounting to \$2,403.97 to Lymburner, Ltd., in connection with the Montreal old examining warehouse as set out at page V—52 of the Report of the Auditor General for the fiscal year ending March 31, 1908

Mr. J. D. McARTHUR, called, sworn and examined.

*By Mr. Rhodes:*

Q. Where is your residence?—A. Brockville.

Q. And what is your occupation?—A. Belting manufacturer.

Q. How long have you been in that line of business?—A. Well, over 35 years.

Q. Do you act as salesman for yourself as well?—A. Yes.

Q. The subject matter of this enquiry is with respect to a quantity of leather which was sold to the government by a company called Lymburner, Ltd., of Montreal. Do you know that company?—A. Not except by reputation, I have not had anything to do with them for a number of years.

Q. I may tell you that Mr. Lymburner was examined here as to the sale of leather belting to the government at the list price, less 10 per cent discount. When asked to explain why the ordinary discount of 60, 10 and 2 were not given that gentleman made the following statement: 'Well, in the first place, the government is not considered a jobber. It would be considered as a consumer and I do not believe anybody would sell to the government at those figures.' I would like to ask you what you say to that, do you regard the government as a jobber or a consumer?—A. Amongst the trade they are regarded as, a jobber, a dealer, and they get the dealer's prices.

Q. Have you quoted the government, as a jobber, the prices of 60, 10, 10 and 2 or better?—A. Yes.

Q. When did you make such a quotation?—A. On December 2, 1907, for the Intercolonial Railway.

Q. And what discount did you quote the government at that time?—A. I quoted 60 and three tens.

Q. Did you secure the contract?—A. No.

Q. That was for leather belting?—A. Yes.

Q. Would there be any offer for cash in addition to the 60 and three tens?—A. I don't think so. I don't know that anything was mentioned. I don't remember. Possibly it was, I could not say. It is the usual thing in all—



## APPENDIX No. 1

Q. Now, Mr. Lymburner further stated in his evidence: 'In this particular case it is altogether different from others because the invoice says that we supplied the goods and put on the belts, stretched them and were called upon to do the work under special conditions. It was after the fire in the examining warehouse and we had to supply the belts to the department and put them on. We went and got the belts, delivered them and put them on, and all that is charged in with the price of the belting. Besides that we went and took the measures for the belting, either I myself or my foreman, because it had to be done right away. There could be no delay.' Then further on he says: 'I would not do it today under that price and under those conditions, because we had, as I have said before, to put the belts on and we had to drop other work to go and put them on.' In other words Mr. Lymburner justified the selling of these goods to the government at a discount of only 10 per cent because they had to take the measure of the belting and stretch it, splice it and put it on. In view of that statement I wanted to ask what the custom is, at least in your business, with respect to measuring belting, splicing and putting it on?—A. For measuring? We would always go and take the measure for an order.

Q. Would you do that under all circumstances?—A. Not outside of our own town. That is we would charge railway expenses and hotel bills for anything outside of the town.

Q. That is for measuring?—A. For measuring. For anything we send a man outside of town on we expect to get his expenses paid and hotel bill.

Q. That is in the ordinary cases?—A. In the town we would always send to measure the belting.

Q. You mean in the town where you manufacture it?—A. In the town where we manufacture, where there is no expense except the man's time.

Q. How long under very difficult circumstances should it take to measure for 12 belts, I can give you the length of them?—A. The lengths matters not.

Q. Twelve belts, 30 to 32 feet long, 5 inches in width, how long would it take to measure them?—A. An hour an a half.

Q. That is under the most difficult circumstances?—A. Well, under ordinary circumstances. Most difficult circumstances there certainly were not, as far as I can see. I don't see that it would take—I cannot imagine the difficult circumstances that would take more than that.

Q. How many hours would it take to splice and put on 12 belts under ordinary circumstances?—A. How many belts?

Q. Twelve belts?—A. Five inches in width?

Q. Yes, 5 inches in width and splice them, stretch them and put them on?—A. Were they made endless or were they laced.

Q. There is a reference to there being wire sewed somewhere?—A. Wire sewed, that is laced.

Q. Some were wired screwed?—A. Well that is the making of the belt. That is the belt itself you know and that has nothing to do with the splicing.

Q. Some were spliced and some were laced?—A. Well the spliced belts would take a little longer because they are endless.

Q. What is the most difficult operation, to splice the belts?—A. Oh, to splice the belting because that is made endless, but I should not think it would take a man more than a day and a half, in fact I should be very annoyed if a man took more than a day and a half to put them on.

Q. That is assuming they were all spliced?—A. He would have to let the cement dry supposing he had two sets of clamps. In some cases it does not require clamps at all; they can take them off and splice them on the floor. That is where the shaft does not run on both sides they can take them off. In a dynamo belt you can always do that. You see the dynamo belt you can slip it off and put it on without using any clamps. But putting on endless belts you have to use both clamps.

Q. I wish you would look over the invoices (producing invoices). You can see

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from the nature of the belts. Some were spliced and some were wire screwed?—A. The wire screwed is in the manufacture.

Q. Some of the belts are marked spliced and others laced. Apparently there is only one marked endless?—A. Well the spliced I should infer was the same as the endless.

Q. And what about the laced?—A. That is it is put together with laced leather. That endless is spliced.

Q. Look over the condition of this work and familiarize yourself with them. I am going to ask you how long the work would take under ordinary conditions?—A. Well, it certainly should not take a man more than a day and a half to put them all on.

Q. That is to stretch, splice and put them on?—A. They would all be stretched before he put them on. What he means, all he would have to do would be to get them tightened up so as to slip on the pulley, that is all. The stretching is the bringing the splices together.

Q. What rate per day would you pay a man that you would send to do that class of work?—A. About \$2 a day. We have got a man who would put that on in a day and a half, and we would pay him \$2 a day.

Q. You have been on the premises where this belting has been placed?—A. Yes.

Q. You have seen the conditions there?—A. Yes.

Q. From your knowledge of the business and having seen the old examining warehouses, what would you say would be a fair charge for the measuring, splicing, stretching and putting on of these 12 belts?—A. Well, I should think \$5 would put them on, and I do not think more than \$2 for the measuring of them, that is, if they required to pay for the measuring. The fact of the matter is, we put on the belts very often and all we charge, if it is outside of town, is the railway fare and hotel bill and our men's expenses for putting them on—his time. But that is not as a general rule. We are very seldom asked to put these on, except it is a wide large belt that they cannot put on themselves.

Q. Why are you seldom asked to put them on?—A. Because they are so easy to put on they all put them on themselves. There is no man that runs machinery, he does not understand his business, if he cannot lace a belt, bring the two ends of the belt together and lace it. It is a very easy matter.

Q. Where you are called upon to do this, I understand you to say that you send a man from your works and charge his hotel bill and travelling expenses?—A. His travelling expenses, but if we wished, I suppose it altogether depends upon the arrangement, if there was an arrangement we would charge for the man's time; we would charge 40 or 50 cents an hour, as the case may be.

Q. Is it the custom of the trade to measure and put on the belts without any extra charge beyond that mentioned?—A. Oh, yes, if that is the arrangement.

Mr. PARDEE.—You are asked if that is the custom.

*By Mr. Rhodes:*

Q. I am asking if it is ever done?—A. Oh, yes, we do that, we all do that.

*By Mr. Carvell:*

Q. You do everything you can to get the order?—A. It is to get the order, and we want to make all we can out of it. It is a matter just the same as Mr. Lymburner says; it altogether depends upon the price. If our price will allow it we may say, 'We will measure the belts and put them on.' That is, I am speaking, mind you, only of the town itself. Where we are going to anywhere outside of that we will charge our railway fare and hotel bills, under all circumstances.

*By Mr. Rhodes:*

Q. Just glance over these invoices again. There are just four invoices, and I

want you to see the nature of the belting (exhibiting invoices to witness)?—A. That wire screwing mentioned there does not make any difference any more than the rivets.

Q. Having examined these four invoices, would you have been willing at that time to sell that belting to the government cheaper, or at a discount of 60, 10, 10 and 2?—A. Yes.

Q. And you would have been willing to measure these belts, stretch them, splice them and put them on by merely charging the transportation expenses and hotel bill of your man?—A. Well, we would have been willing to do it, but we would not care to do it. That is a question where I cannot say whether I would have done so or not, but I certainly think \$5 would have done so.

Q. Did you see all the belting in the Montreal examining warehouse?—A. I saw it running.

Q. You saw all the belting running?—A. I don't know that I saw it all. I went over the building and it was pointed out.

Q. Can you tell, looking at that belting while it was in operation, whether it was single or double?—A. There was some single and some double.

Q. Some of it was single?—A. Yes.

Q. Can you give us any idea how many single belts there were?—A. No, sir, I cannot. I paid no attention to it all. I can tell you nothing about how many were single and how many were double; I merely saw that there was single belting there. There may have been half a dozen belts and there may have been one or two; I saw single belting there.

*By Mr. Reid (Grenville):*

Q. You are a manufacturer in Brockville?—A. Yes.

Q. And you say that in the case of these invoices, or any other invoices, or in regard to anything you may have sold the government in the past you would have allowed 60, 10, 10 and 2?—A. Yes.

Q. That is customary among all the manufacturers?—A. It is an understood thing with the railway companies. The Intercolonial Railway means the government. I should imagine. I don't know that the government is specially mentioned, but, however, we would understand it so.

Q. I would like to know if it is an understood fact that any department of the government can purchase leather belting from you or any of the other manufacturers on these terms?—A. Well, that—I understand it so.

Q. At all events, you are willing at any time to sell goods to them at this discount?—A. Well, there is just this in it: The Intercolonial Railway is the only understanding that we have got with the government, but I will tell you what, we would sell them at 60 and 10 off, or sell this year at 60 and 10 off.

Q. You would be willing to sell at 60 and 10 off?—A. I will sell to any person in the country at 60 and 10 off—that is our usual price—and no higher.

Q. Lymburner in ordering these goods, must have ordered them from the manufacturer?—A. Yes.

Q. And when asking for prices they would allow him these prices?—A. Allowing the dealer's discount off and that is 60 and two tens. That is the dealer's discount, and 60 and 10 is the consumer's.

Q. So when he sold these goods to the government and only allowed 10 per cent off the invoice, he makes 60 and 10 discount himself?—A. I don't know what he made and I don't know what he paid for them, but that is what he should have had.

Q. If he purchased at the regular price?—A. He should have had 60 and two tens.

Q. It is an understood fact that if any of the departments wants any leather belting from your concern, you are willing to give them at least 60 and 10?—A. Sixty and 10.

Q. And to some of the departments 60, 10, 10 and 2?—A. That is the Intercolonial Railway. The Intercolonial Railway is classed the same as the Grand Trunk, the



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Canadian Pacific, the Northern and all large railways. They have the jobber's discount; it is understood thing that they have it.

Q. Then, so far as the Railway Department is concerned, one might put it this way: you will allow them 60, 10, 10 and 2?—A. Unless you can class the government by having that quotation to the railways—whether they can be classed together as dealers. But that is a question which I don't know anything about.

Q. Have you a list of the manufacturers and dealers that you place on the jobbers' list, that each one in your association understands are jobbers?—A. Yes, but there are very few on it excepting the railway companies.

Q. Is Mr. Lymburner's name on it?—A. There are no names of that sort. If he is a dealer and sells belting it is not necessary to put him on. If he is a dealer and sells belting, which he has sold to you, that classifies him as a dealer immediately, and he gets the dealer's discount.

Q. Mr. Lymburner stated in his evidence that he had two men putting on these belts; do you think it was necessary to have more than one man to put them on?—A. No.

Q. One man would do the work?—A. Yes, for 5-inch belts. Remember, I am speaking of a practical man putting them on. He could have had the man he bought that belting from send a man down and put them on at a very small amount. I don't know why he required half a dozen men to do it.

*By Mr. Taylor:*

Q. You say that the manufacturers are the same as the jobbers, and they get 60 and two tens?—A. No, the manufacturers are consumers.

Q. They are consumers?—A. Yes.

Q. But you make exceptions?—A. Well, manufacturers—the jobber is a man who sells and has got to get a profit. You would not expect to get a man if he were buying from your place to carry stock for you, that you should sell to that man and then go to work and sell to his customers. It would not be right; we have to make a difference.

Q. You would term them both manufacturers and jobbers consumers?—A. Manufacturers are our consumers altogether.

Q. In the case of manufacturers your usual terms are to give 2 off for cash, are they not, besides the other discount?—A. Two off for 30 days and 90 days net.

*By Mr. Rhodes:*

Q. I think you have already said a member of the association?—A. Which association?

Q. The Belting Manufacturers'?—A. Yes, we have an association. We have an association in which we fix just such things as that, and arrange these matters the same as you have amongst yourselves.

Witness discharged.

Committee adjourned.



# EVIDENCE

TAKEN BEFORE THE

## PUBLIC ACCOUNTS COMMITTEE

RE PAYMENT TO

ROTHWELL, JOHNSON & STUBBS

*PRINTED BY ORDER OF PARLIAMENT*



OTTAWA

PRINTED BY C. H. PARMELEE PRINTER TO THE KING'S MOST  
EXCELLENT MAJESTY

1909



HOUSE OF COMMONS,  
COMMITTEE ROOM No. 32,  
OTTAWA, 14th May, 1908.

The Select Standing Committee on Public Accounts beg leave to present the following as their

FOURTEENTH REPORT.

Your Committee recommend that the evidence taken respecting payments to Dussault & Co., Lymburner, Limited, and Rothwell, Johnston & Stubbs, be printed as an appendix to the Journals, and also in Blue-book form, and that Rule 72 be suspended in relation thereto.

A. H. CLARKE,  
*Chairman.*





## MINUTES OF EVIDENCE

HOUSE OF COMMONS.

COMMITTEE ROOM No. 32.

WEDNESDAY, April 28, 1909.

The Select Standing Committee on Public Accounts met at eleven o'clock a.m.

In the absence of Mr. Clarke, Chairman, on motion of Mr. Taylor, seconded by Mr. Ames, Mr. C. J. Dougherty took the chair.

The committee proceeded to the consideration of a payment of \$4,721.30 to Rothwell, Johnson & Stubbs in connection with the Transcontinental Railway, as set out at page W-349 Report of the Auditor General for the fiscal year ending March 31, 1908.

Mr. THOMAS H. JOHNSON, called, sworn and examined.

*By Mr. Meighen:*

Q. You are a barrister, Mr. Johnson, practising in Winnipeg, Manitoba?—A. Yes, sir.

Q. And have been for some ten years, I believe?—A. About that.

Q. You are head of the firm, or you are a member of the firm of Rothwell, Johnson & Stubbs?—A. Yes.

Q. And I believe, in relation to the item which appears in the Auditor General's Report, page W-349, referring to a payment of \$4,721.32 to your firm for work in connection with the Transcontinental Railway, you had charge of the work connected with that item?—A. Yes, practically.

Q. By whom were you employed to do the work?—A. By the Commissioners of the Transcontinental Railway.

Q. Acting individually through what man?—A. I received in the month of February, 1906, written instructions from the Commissioners of the Transcontinental Railway to act as their legal agent in the City of Winnipeg. I do not know that it came from any individual member of the Commission, but it came officially, and it came unsolicited and as a surprise to me.

Q. And you performed certain services during the year 1906?—A. Yes.

Q. For which you rendered an account to the Commissioners?—A. I did, no doubt.

Q. And which you were paid?—A. Yes, paid.

Q. The government account was settled?—A. Yes, with certain deductions.

Q. Very considerable deductions?—A. Yes, I believe so.

Q. And that account was settled?—A. Yes.

Q. Then you were again employed in the year 1907?—A. I have been acting for the Commissioners continuously since February, 1906.

Q. You continued to do work in the year 1907?—A. Oh, yes.

Q. And it was the work in the year 1907-8 that gave rise to the bill for \$4,721.32?—A. Well, I have not figured to see in detail just what is included in that item which is in the statement or accounts of 1908, and my understanding of the bill is that it covers items in 1907 and 1908.

Q. There is a summary here made out by the department which will give the Committee an idea right at the outset what comprises that bill in bulk. This is a

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return brought down; of course, you can read it. The summary is on the last page, and it is re-summarized at the last, 'passing titles, 84 at \$30, \$2,520; re Kern & Mathews, \$900; sundry fees, \$690; and outlay, \$611.32.' Would you look through the account and see if that is, briefly, a summarized statement of what constitutes your bill for \$4,721.32?—A. Well, that will take some time, but I am satisfied that it is.

Q. That is correct?—A. That this summary is correct; 84 parcels at \$30 each; that is correct I know, and the second item of \$900, I know that is correct, and the sundry item I have no reason to think that is incorrect—

Q. The sundry item is \$690 and the outlay \$611.32. Now, taking first the item of \$2,520 for passing 84 titles at \$30 each, what is the character of the titles?—A. We have the ordinary Manitoba titles known as the old system titles, and the new system titles; I do not know what proportion of each.

Q. Can you tell us, Mr. Johnson, how many of these titles were the Torrens title, and how many were under the old system?—A. No, I cannot.

Q. Have you any of your books with you that will show that?—A. Oh yes, I have my docket here, but I do not know which 84 are included in that bill, I do not know that I can locate that particular 84, I could trace it out but it will take up a great deal of time.

Q. I will take 8 or 9 of those titles, and see if you will tell me with regard to those; I think I can show you what the others were. Take a look at the titles of the following lots and tell me what system they were under. N.E.  $\frac{1}{4}$  of 34-10-6 E.?—A. Just a moment please until I get my books out. What is the township and the range, please?

Q. N.E.  $\frac{1}{4}$  of 34 of 10-6 E., I can give you the name of the owner if that is of any use?—A. That would not assist. I can get it in a minute.

Q. I could give you the names of the owners?—A. That would not assist. I can get it for you in a minute. N.E.  $\frac{1}{4}$ -34-10-6, is under the new system under the Torrens title?

Q. That is under the name of G. R. S. Cook?—A. Yes.

Q. And the N.W.  $\frac{1}{4}$ -34-10-6, what was it?—A. Torrens likewise.

Q. As a matter of fact, Mr. Johnston, both these quarter sections were in the same certificate of title in the name of G. R. S. Cook, were they not?—A. I could not say as to that but I have a personal recollection of this particular title.

Q. Yes?—A. Mr. Cook had an old tax title, an old tax deed, which he had not even registered but had carried it around with him for a great many years unregistered and the title was literally bad.

Q. I thought it was the Torrens title?—A. It was the Torrens subsequently. It was the Torrens after the process of obtaining the title because I would not accept the title that Mr. Cook had.

Q. Did you place these two quarters under the Torrens system for Mr. Cook?—A. Well I think I did.

Q. Did you charge the fees to Mr. Cook?—A. Well, Mr. Cook was a peculiar man—

Q. Answer the question. Did you charge the fees for putting these quarter sections under the Torrens system to Mr. Cook?—A. I charged Mr. Cook the very nominal fee of \$5—the entirely nominal fee of \$5—and he raised an awful row about it.

Q. But, Mr. Johnson, you do not mean to say that you charged any part of the fees for perfecting Mr. Cook's title to the Transcontinental Railway Commission?—A. Well, my recollection is that came under the flat rate arrangement. That is—

Q. Now, Mr. Johnson, you do not mean to say that the perfecting of Mr. Cook's title had anything to do with the work of the Transcontinental Railway Commission or that you charged any part of it to them?—A. Well, Mr. Meighen, I will tell you this—

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Q. If you did it is all right. I just want to know if you charged any part of these fees to the Transcontinental Railway Commission?

Mr. CARVELL.—Would it not be as well to let the witness answer the question?

Mr. MEIGHEN.—I will let him answer, don't you worry.

The WITNESS.—Owing to my flat rate arrangement with the Commissioners I had to go and fix up that title of Mr. Cook's. My fee for putting it straight was the sum of \$5 but he raised all kinds of a row.

Q. So that?—A. Let me explain. When a railway company goes to a farmer especially, for his right-of-way, the farmer generally expects the railway company to look after all matters of title and even pay for partial discharge to clear the title of the owner.

Q. That may be?—A. And the practice of the railway companies—and that was the practice adopted by the Commissioners—is that all that expense would be stood by them. That is why.

Q. That is very different from this expense. Do I understand, Mr. Johnston, that the Transcontinental Railway Commission employed you to perfect the title of various farmers throughout the community?—A. I will tell you this, that I made an arrangement with the Commissioners for a flat rate of \$30.

Q. For what?—A. For putting through all titles to right-of-way.

Q. Yes?—A. I had to take, under that arrangement, the good with the bad, and if any particular parcel, or any particular number of parcels, were involved in a particular amount or a special amount of work I had to do that under the flat rate arrangement.

Q. That is all right. But so far as these two titles were concerned, when you came to deal with them as solicitor of the Transcontinental Railway Commission they were both Torrens titles and under the one system of title?—A. They were not. When I came to deal with them on behalf of the Commissioners they were tax titles that they would not think of accepting from anybody else.

Q. You made them Torrens titles at the expense of that farmer?—A. At the expense of that farmer? No, I did not.

Q. You charged them \$5 which you claim was very little?—A. A mere nominal fee.

Q. You did not make it at the expense of the farmer you say?—A. The Torrens title?

Q. Yes?—A. He may have paid the disbursements. I see there is no special charge for disbursements here. I think Mr. Cook paid, that is stood, this amount.

Q. Stood this amount?—A. Yes.

Q. And paid you the \$5?—A. Well I don't know whether he paid it or not. It was charged to him and he was written to but I don't know whether he ever paid it.

Q. You will not say you did it at the expense of the Transcontinental Railway Commission? We have to come to a definite conclusion as to this to know whether the Transcontinental Railway Commission employed you to perfect titles?—A. Mr. Meighen, it is for you to arrive at conclusions. I am testifying to the facts.

Q. Will you say it was at the expense of the Transcontinental Railway Commission that you perfected that title?—A. I am stating the facts, Mr. Meighen, and you can arrive at the conclusion.

Q. You can answer the question yes or no, it is a fair question?

Mr. CARVELL.—I object to this form of direct examination. The witness is giving the facts. This Committee can arrive at a conclusion as to who paid for converting this title.

*By Mr. Meighen:*

Q. This is a question of fact: Did the Transcontinental Railway Commission pay any part of the expense of bringing Mr. Cook's title under the Torrens system?



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Did they pay any part of it?—A. The Transcontinental Railway Commission paid me in connection with Mr. Cook's title the ordinary flat rate of \$30 per title—

Q. And you wish this Committee to—?—A. And the ordinary disbursements.

Q. And do you wish this Committee to assume that that flat rate covered any part of the expense of perfecting Mr. Cook's title?—A. Well, I had to do that under that arrangement.

Q. Answer the question. You had to do that but did that cover?—A. It did not cost the Transcontinental Commissioners a cent extra.

Q. Did that cover any part of the—?—A. It did not cost the Transcontinental Commissioners one cent extra.

Q. Answer the question. Did the Transcontinental Commissioners pay any part of the expense?

Mr. CARVELL.—Let us bring this question to a head.

Mr. MEIGHEN.—We will bring it to a head.

Mr. CARVELL.—If you want to fight you can have all the fight you want. This witness comes here and has been perfectly frank and has answered any question he has been asked. He has given all the facts, it is for this Committee to draw the conclusion.

Mr. MEIGHEN.—If he has answered that question I am satisfied.

Mr. CARVELL.—Then I put my objection.

Several Hon. MEMBERS.—What is the objection?

Mr. CARVELL.—The objection is that it is an improper question. Mr. Meighen is asking this witness if the Commissioners paid any portion of the expense of perfecting this title.

Mr. MEIGHEN.—Just so.

Mr. CARVELL.—The witness has stated the Commission paid him \$30, that he made a charge of \$5 to the farmer and he does not know whether it was paid or not. He sent in his account but he cannot tell whether the Commissioners paid any portion of the expense of perfecting this title or not.

*By Mr. Meighen:*

Q. Does the \$30 which you were paid by the Transcontinental Railway Commission in connection with the N.W.  $\frac{1}{4}$  of section 34 cover the whole, or any part, of the expense of perfecting Mr. Cook's title and bringing it under the Torrens system or does it not?—A. There is not a cent charged in my docket for fees or disbursements for bringing it under the Torrens system.

Q. So this covers only your charge for fixing the title?—A. Well, now, Mr. Meighen, I have answered the question fully and—

Mr. MEIGHEN.—That is the best answer yet. It does not cover any part of that expense and it was not so intended.

Mr. CARVELL.—The witness has not said that. Mr. Meighen is not going to put answers on the record unless the witness agrees to them.

Mr. MEIGHEN.—The witness is a lawyer and a very good one, Mr. Carvell.

Mr. CARVELL.—I am quite well aware of that.

*By Mr. Meighen:*

Q. Now the N.W.  $\frac{1}{4}$ -36-10-8. Was that a Torrens title or not?—A. 36-10-8?

Q. Yes the N.W.  $\frac{1}{4}$ -36-10-8?—A. The old system.

Q. And remained the old system until it went to the Commissioners?—A. I do not see anything to the contrary here.

Q. You swear that was an old system title in the hands of the Commissioners?—A. It is so marked in my docket.

Q. That is two Torrens and one old system. Now then turn to lot 74 R.G.M. plan 433, St. Boniface. I just have two or three more of these?—A. From whom was that purchased, that does not come in that?



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Q. From the college of St. Boniface. It is No. 100 in your bill?—A. That does not appear in the docket whether that is new or old system.

Q. No. 101 is practically the same, could you tell from that?—A. No, it does not appear whether it is new or old.

Q. Can you recall whether it was the new or the old system?—A. No, I cannot.

Q. It would very likely be under the new system, being in the name of the college?—A. I would not like to say that as in other cases they have old system titles.

Q. The south half N.E.  $\frac{1}{4}$  32-10-8?—A. What is that lot?

Q. The south half N.E.  $\frac{1}{4}$  32-10-8, No. 45 in your bill?—A. I have the north half of 35, No. 45.

Q. It is 45 in your bill, south half of the N.E.  $\frac{1}{4}$  32-10-8?—A. I have this marked here the north half.

Q. Perhaps it is an error, what title is that?—A. New system.

Q. That is Torrens title. Now, lot D, R.C.M., St. Boniface, plan 433?—A. From whom was that purchased?

Q. There is nothing to show in the bill, it is No. 109 in the account, 6th of March?—A. Lot B?

Q. Lot D?—A. It does not appear to be here, that does not come in the order in the survey.

Q. Can you not tell whether that was a Torrens title or the old system?—A. It was evidently the old system.

Q. Old system; are you willing to swear it was old system, Mr. Johnston?—A. I see that the charge here for registering the deed is \$2 and that charge is applicable only to old system, but if it were a new system transfer it would be \$3.

Q. You have charged twice for the right-of-way over lot D, is that an error, it is No. 107 and 109 in your bill?—A. That is not necessarily an error because different parties may own different portions.

Q. Can you tell us that different parties did own these two different portions? Do your books not show that?—A. They show the name of the owner in most cases, different owners.

Q. Different owners?—A. T. A. Bernier and a man named Castelin, something like that.

Q. And they were both old system, were they, or just one?—A. They were evidently both old, because here is a charge again for \$2 for registering deed.

Q. They are both old systems?—A. Apparently.

Q. No. 102, block A of plan 433 St. Boniface?—A. New system.

Q. The east  $\frac{1}{2}$  N.W. of 31-10-6, No. 74?—A. Evidently old system by registration fee.

Q. That, I think, covers those, I wish to enquire about in that lot. Of those we have enquired into so far four have been the new system and six you believe the old system?—A. Yes.

Q. Now I wish you to take these pieces of land. The S.E.  $\frac{1}{4}$  of 2-11-5, No. 77?—A. Yes.

Q. That was a Torrens title, was it not?—A. Yes.

Q. And it stood in the name of C. F. Feddersen?—A. No.

Q. It did not?—A. 77?

Q. No, it stood in the name of Konrad Manz?—A. Konrad Manz.

Q. And the S.W.  $\frac{1}{4}$  of the same section also stood in the same name, did it not?—A. Yes.

And the S.E.  $\frac{1}{4}$  of the same section also stood in his name, did it not?—A. Apparently.

Q. All under the Torrens system?—A. Apparently.

Q. And all in one certificate of title?—A. I do not know that.

Q. Could you not tell that, Mr. Johnson?—A. No.

Q. I presume that a certificate of the Lands Titles Office Registrar would be sufficient evidence for you if your books did not show it?—A. It certainly would.

Q. I will produce it later in the course of the examination. Now, I will produce the certificate showing that, and I ask you to assume in the course of the examination, until it is produced, that they are in one certificate of title?—A. In one certificate of title under the name of Konrad Manz.

Q. In the name of Konrad Manz, yes. Now, what would be the total charge that you would receive from the Transcontinental Railway Commission for passing the title to these three quarter sections that were in one certificate of title under the Torrens system?—A. Thirty dollars for each parcel.

Q. That will be \$90 in all?—A. That is plain.

Q. How many transfers did you draw for Mr. Manz signature for these three parcels?—A. Three.

Q. You drew three. What were the registration fees for these three transfers?—A. Three dollars for each.

Q. That would be \$9. How many transfers are necessary in order to pass the right-of-way through those three quarter sections for the Transcontinental Railway Commission?—A. Three transfers for three parcels.

Q. Which could have been put in one transfer?—A. But we were not doing business in that way. The Commissioners are like every other business corporation, they want each parcel on file by itself. These files were in proper order and there was a separate certificate of title issued to the Commissioners in respect of each quarter.

Q. Well then all right. I understand you are instructed by the Transcontinental Railway Commission to prepare a separate transfer for each quarter section even though there would be as many as three or four in each certificate?—A. Whom do you understand that from?

Q. From you?—A. From me?

Q. Were you not so instructed?—A. I have not said so.

Q. Well then why did you not do it by one transfer?—A. Because I was dealing with each parcel. I had the right-of-way plan before me and it was my business to get up the complete chain of the various titles or parcels shown on that right-of-way plan, and I did so by having a certificate of title issued in respect of each parcel and it was reported in that way.

Q. That is to say the result of the way you did it would be to have a separate certificate issued from the Land Titles Office for each separate right-of-way through each separate quarter section?—A. Certainly.

Q. If you had done it by one transfer, taking this instance as a sample the result would have been that you would have one certificate for the right-of-way through these three quarter sections?—A. Certainly.

Q. Had you any instructions from the Transcontinental Commission to bring about the first result instead of the second?—A. Do you mean specific instructions?

Q. Specific instructions?—A. I had no specific instructions on that point but that was the methodical way of doing the business and fortunately it did not result in any financial loss to my firm in doing the business in that way. It was the proper and businesslike way of doing it and I did it in that way.

Q. I understand there was no financial loss to your firm but it is the expense to the country we are inquiring into just now. Did you have any instructions, specific or otherwise, to bring about the first result I described instead of the second?—A. I had instructions to examine the titles to the various parts of the land on the right-of-way plan. I had a contract with the Commissioners for the flat rate of \$30 on each parcel. I put the instruments through in that way and charged for it accordingly.

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Q. Now, Mr. Johnson, is a parcel of land any less a parcel because it is in three quarter sections instead of one?—A. Yes, three quarters make parcels.

Q. Parcels?—A. Yes.

Q. Then two halves of each quarter would only be halves of parcels then?—A. Not necessarily.

Q. A  $\frac{1}{4}$  section is not necessarily your unit of a parcel then?—A. No, not necessarily.

Q. If it is divided smaller you take the advantage, if it is in a larger bulk you do not give the Commission any advantage?—A. Well now, I don't know what you are driving at.

Mr. CARVELL.—He is driving at a \$3 transaction. Get something big, Mr. Meighen, get above \$3.

*By Mr. Meighen:*

Q. Here is a piece of land. Even if it comprises three  $\frac{1}{4}$  sections or 10 it is under one certificate of title. If you should procure the right-of-way through that would that not result in one parcel of land?—A. I do not catch that, Mr. Meighen.

Q. Of what advantage on earth is it to have three certificates of title to put a right-of-way through three  $\frac{1}{4}$  sections if one certificate of title would cover the whole thing?—A. A very great advantage.

Q. Describe it?—A. Because the right-of-way plan shows the three different parcels. The parcels are numbered in the head office of the Commissioners, a corresponding file for each parcel is placed on record and preserved separately and in rotation so that the complete chain of title for the complete right-of-way, after all your work is finished is intact and in consecutive order and is filed away methodically and in a business-like way.

Q. I understand that but if you made less parcels they would be just as methodical, would they not, for the files?—A. No.

Mr. CARVELL.—Follow the plan.

*By Mr. Meighen:*

Q. All right, follow the plan. They would be just as methodical for the files if you made one parcel would they not?—A. That would be a matter of opinion.

Q. Supposing Konrad Manz is the owner of quarter section 33, township 10 and range 12, that is one parcel, is it not?—A. Why certainly it is.

Q. Then would you take that parcel and divide it into four to get four parcels and four certificate titles?—A. No.

Q. You would not. Well then if Konrad Manz was the owner of the S.E.  $\frac{1}{4}$  section, 2-11-5 and the S.W.  $\frac{1}{4}$  section, 2-11-5, that would be one parcel?—A. No.

Q. Describing each quarter section separately would that have been one parcel or four?—A. Well, I do not know—

Q. The common sense way, Mr. Johnson, is for the one man to have one certificate alone?—A. If you will let me explain. If a man were the owner of a section of land he would look upon that as a parcel of land, but here the railroad is passing through one quarter section after another. Now each of these quarter sections or divisions or sub-divisions shown on the right of way plan is a unit by itself and the whole right of way business was arranged and put through on the basis of that unit.

Q. You can make a unit you know?—A. We are not making anything, we are taking the unit as it is there.

Q. Can you tell me any practical object on earth to be served by dividing Konrad Manz's three quarter sections into three certificates?—A. When did I say that?

Q. You have not told us any practical object in the world to be served in the world by that?—A. I have.

Q. Will you tell us now any practical object to be served by doing that?—A. I have told you, Mr. Meighen.



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Q. You have told us there would be a separate file for each one, but you could do the same if there was only one certificate except that there would be less files. What is the object of having four files instead of one?—A. I have explained that once, but apparently there is lots of time. I have lots of time and apparently the rest of you have, so that I have no objection to repeating the explanation. The right of way plan is put in our hands showing the consecutive parcels of land. Now then the business of those who have to deal with the right of way is to acquire the titles of these various parcels. Each parcel is kept separate. It is the subject of a separate file and the subject of a separate number on the head office records and the certificates of title for each particular parcel are kept separate and filed away separately and consecutively.

Q. Was it you who did the parcelling in the first place?—A. I did not do the parcelling, the surveyors did.

Q. And you say the plans show who owns the land?—A. They did show it in some cases and in some cases they did not.

Q. The man had a title for these three  $\frac{1}{4}$  sections and you say these appear separately on the plans, appear as a separate parcel?—A. I am here to be examined and I will answer any legitimate question.

Q. I'm afraid I cannot make you answer any further?—A. I will answer any question you want.

Q. I will show you this, Mr. Johnson (exhibiting document to witness). You will observe the signature of the district registrar of Manitoba at the bottom of the certificate: 'I hereby certify that the information contained in the foregoing pages one to six is a true and correct abstract from the records of this office relating to the various matters therein referred to. (Sgd.) W. E. Macara.' Now he certifies as follows: 'S.E.  $\frac{1}{4}$  2-11-5; S.W.  $\frac{1}{4}$  2-11-5; S.E.  $\frac{1}{4}$  3-11-5. Above three parcels owned by Konrad Manz in one certificate of title. Three transfers drawn by Rothwell Johnson & Stubbs where only one was necessary. Fee of registration \$9.' The district registrar's opinion differs from yours?—A. The district registrar is evidently speaking for himself as to whether it was necessary for his purpose. I am speaking now for the purpose of the Commissioners and the purpose of our files in the head office of the Commission.

Q. It cost the country \$6 more in that one case to register, and \$60 more to pay the lawyer's fees. That was the result to the country, was it not?—A. Than what?

Q. Than if you had done it by one transfer and put it in one certificate?—A. If my contract with the Commissioners had been—

Q. But that Mr. Johnson is not the point. Supposing you had done it that way with one transfer and one certificate, instead of three transfers and three certificates, the country would have saved \$6 in registration fees and \$60 in lawyers' fees, would it not?—A. Well, the—

Q. But would it not, answer yes or no?—A. If the country or the Commissioners would have been content to have just thrown down their line of railway, without bothering about titles at all, they might have saved lawyers' fees in not perfecting titles.

Q. Answer the question, yes or no.

Mr. CARVELL objected to the question being pressed any further and submitted that the witness had answered the question as fully as he could, therefore Mr. Meighen had no right to cross-examine his own witness or to make him answer yes or no; that he could not do so in a court of law, much less in a Committee of enquiry. The witness having stated the facts it was for the Committee to draw conclusions and he submitted that it was an improper question.

*By Mr. Meighen:*

Q. If you had in this case of Konrad Manz drawn one certificate and one transfer to the Transcontinental Railway Commission, instead of three, it would have



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saved to the country \$6 in registration fees and \$60 in lawyers' fees, would it not?—  
A. No, it would not, because the country got back the \$6 in registration fees, that was just taking it from one pocket of the country and putting it into another.

Q. The Province of Manitoba got the \$6 which the Dominion Government lost. So that is your justification of that scheme. So far as the Transcontinental Railway Commission is concerned they would have saved \$6 in registration fees and \$60 in lawyers' fees would they not?—A. If these had been one parcel.

Q. If you had done it by one transfer?—A. If these had been one parcel they would have saved that.

Q. If you had transferred this in one parcel they would have saved that, would they not?—A. Well, if the three parcels had been one parcel they would have saved it.

Q. That has nothing to do with it. If you had done it by one transfer they would have saved it, would they not?—A. What is your question?

Q. If they had done it by one transfer they would have saved it, would they not? Answer the question?

Mr. CARVELL.—I ask for a ruling of the Chair, if the question has not been answered fairly, and there is very little use in asking it again.

The CHAIRMAN.—Do you understand that the witness does not answer that question, that he objects to answer that?—A. I do not object to answer anything.

The CHAIRMAN.—The witness is willing to answer and I do not see there is any harm in its being answered. If the witness does not desire to answer it I shall make a ruling whether he ought to or not.

*By Mr. Meighen:*

Q. If you had transferred Konrad Manz three  $\frac{1}{4}$  sections which were in one certificate to the Transcontinental Railway Commission in one transfer instead of three, the Transcontinental Railway Commission would have saved \$6 in registration fees and \$60 in lawyers' fees, would they not?—A. No, they would not well now, Mr. Meighen, would you like me to tell you why?

Q. I certainly would?—A. All right. Well, there is no denying the fact that these three quarter sections were three parcels of land. The arrangement between the commissioners and my firm was that we were to get a flat rate in respect of each parcel, so that even if they had been transferred in one certificate of title under the system that has been followed, my firm would have been entitled to charge for three parcels just the same. So that there would not be that saving.

Q. If you had drawn it in one transfer you would have charged \$90?—A. I would have been entitled to.

Q. If you had drawn it in one transfer and one certificate. So that as a matter of fact for passing the title, Mr. Johnson, to what was in one certificate of title under the Torrens system, guaranteed by the province of Manitoba, you charged and were paid by the Transcontinental Railway Commission, \$90?—A. Not for passing the title only.

Q. Well, for what else was it?—A. For doing work in connection with these transfers.

Q. Tell us what the work was?—A. Well now, Mr. Meighen is a solicitor practising in Manitoba himself and knows what the work of passing a title in Manitoba is, somewhat similar no doubt to other places. You examine a title, prepare the conveyance, make inquiry as to encumbrances and pay them off if there are any; make inquiries as to seed grain liens in all portions of the province, you interview a number of parties, in some cases more, in some cases less; you have more or less correspondence, and a greater or lesser number of attendances at the Lands Titles Office, and then you make a report on the title—

Q. All right, put it this way then. Of course if you count each step in the transaction—

Mr. CARVELL.—Let him finish answering the question.

Mr. MEIGHEN.—I thought he was through.

A. And you do anything else that is necessary to make the title perfect and satisfactory to the commissioners, so that you can stake your professional responsibility that the title is perfectly clear and quite sufficient for the purposes of the commission.

Q. Would you like to go back now and make it that this covers a charge for perfecting the owner's title?—A. Well, now, Mr. Meighen—

Q. That is what you said?—A. I beg pardon.

Q. Does it cover work only, in whatever way it may be expressed, of looking into and passing the title, as well as completing the conveyance to the Transcontinental Railway Commission, does it cover that?—A. We prepared in almost every instance the conveyance. The Transcontinental Railway Commission adopted the practice of all the railway companies, and for that no charge was made to the owners.

Q. It covers that and all your work embraced in looking into and passing the title?—A. It covers the work done professionally by two solicitors where one is acting for the vendor and the other for the company.

Q. I am trying to put in words what that means?—A. If you will ask me I will answer the question.

Q. I am trying to ask you. It covers the work in preparing and having executed the transfers and in looking into and passing the title. Am I right or am I not?—A. You may be right and you may not be right, because when you give your opinion or statement as to what it covers that may be all right as far as your opinion is concerned, but in your mind you may not be contemplating all the work in connection with the matter.

Q. Do these works fairly embrace what you charge \$30 on each title for, in your opinion?—A. Well now—

Q. In your opinion?—A. That is a very broad question.

Q. Now, Mr. Johnson, do you think that you are answering the questions put to you in a fairly straightforward way at all? There is nobody in all Manitoba who understands this better than you do?—A. I think it is unusual to examine the witness as to what the witness' opinion is of his own evidence.

Q. Of his own work?—A. Of his own evidence and his own method of giving evidence.

Q. Can you mention anything that covers this besides the preparing and executing the transfer and the looking into and passing titles?

Mr. McKENZIE.—There is a flat rate, as I understand, that so much is to be charged by special agreement between the Transcontinental Commission and the solicitor. The only thing I should say for the examiner to find out would be this, is that flat rate for the ascertaining of the title and doing the special work involved, a reasonable rate or not. Is not that the whole thing? I think that ought to be a very simple proposition.

The CHAIRMAN.—I presume that if the Committee wants to determine whether the rate is reasonable or not, it would be proper to know what work was done for that rate. It is a reasonable rate, as I understand it, if it is proper remuneration for the work that was done. If this Committee is to form any judgment as to whether the rate is proper remuneration for the work that was done, I suppose it would require to know the nature of the work. Lawyers have a pretty clear idea in their minds of the work involved in connection with the examination of a title but as I understand it the Committee is not entirely composed of legal men. Consequently those members not belonging to the legal profession need light if they are called upon to perform any judgment as to whether the charge was reasonable or not, as to what work was done for the charge made.

Mr. McKENZIE.—If the examiner will confine himself to one specific thing, if he takes the flat rate of \$30 and analyzes it I am sure nobody will offer any objection but mixing three or four things together it is difficult to follow the examination.

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Mr. MEIGHEN.—I did not think anybody found it difficult until you arose. That is just what I am asking.

Mr. CARVELL.—I made a suggestion which I thought my learned friend would accept. I think that you, Mr. Chairman, have certainly taken proper ground in saying that this Committee would like to know what the witness did for the charge of \$30. I observe the witness has with him a book. I do not know what it contains but I presume it is a docket of the transaction in reference to this matter. Let my honourable friend take one of the cheapest of these transactions and ask the witness what were the services for which he charged. Then we will be able, perhaps, later on to show some of the expensive ones. In this way the Committee will be able to form a conclusion as to whether this witness charged what he was entitled to charge or not. I think that is a fair proposition, to take a concrete example and ask him what he did to perfect the title.

Mr. MEIGHEN.—That is very fair and that is exactly what I did.

Q. In this special case of Conrad Manz accounts, the charge of \$30 for each quarter section embraces the looking into and preparing and having executed the transfer of title to the Transcontinental does it not?

Mr. CARVELL.—Now, Mr. Chairman, I do not want to be interrupting, but my learned friend has not accepted the suggestion at all because he is preparing an answer to the witness. What I would suggest is that he should ask the witness to say from his docket what he did.

Mr. MEIGHEN.—You need not worry about him.

Mr. CARVELL.—I am not worrying very much, but I would make that suggestion to my honourable friend.

The CHAIRMAN.—I think this would be considered a suggestive question, but on the other hand do you think there is any danger of Mr. Johnson being led away by the suggestion?

Mr. CARVELL.—Not particularly. I only want to save time, because I know Mr. Johnson must have all the information in his docket, and if the honourable gentleman will refer to that docket he ought to get the details.

The CHAIRMAN.—I think that question leaves it open to Mr. Johnson to answer the question by referring to his docket.

Mr. MEIGHEN.—I think most of the members of this committee know what is the nature of the work—it is sometimes greater and sometimes smaller—embraced in looking into and reporting a Torrens title. I think the average intelligence knows that. All I want Mr. Johnson to say is whether that was all he had to do.

The WITNESS.—Mr. Chairman, in connection with this inquiry. I have literally and absolutely nothing to conceal or suppress. I have literally nothing from which to shield the Commissioners of the Transcontinental Railway Commission, and I am perfectly willing to assist the committee in making the inquiries that they wish to make and suggest that the committee take the matter up in the chronological order in which it was taken up between my firm and the commissioners. Now, I want to make a statement here to put this matter perfectly right. It was, as I said, in February, 1906.

Mr. SHARPE (North Ontario).—I think the committee has no right to listen to this.

Mr. MEIGHEN.—Make your speech and then we can go on.

The WITNESS.—I am not making any speech, Mr. Meighen.

Mr. MEIGHEN.—A statement then.

The WITNESS.—I do not want any suggestion like that. I will make a speech at the right time; I am not making a speech here. It was in February, 1906, that these instructions came to my firm, as I said a moment ago, entirely unsolicited, without any arrangement being made as to fees or remuneration; there was no retainer went with it at all. The assumption would be that the firm was to be paid



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for whatever was reasonable and fair for whatever services it rendered the Commissioners, or through them, the country. Now—

*By Mr. Meighen:*

Q. Are you through?—A. I am not through. I have only started.

Q. Have you any statement to make relative to that question?—A. I am just going to suggest to you the initial point to begin.

Q. I do not purpose following any suggestion from the witness; I intend to conduct the examination in my own way. If you have any statement to make as to the question put to you, I have no objection, but as to giving a history of your dealings with the Transcontinental Railway, we have too little time here. Would you answer the question whether your work comprised anything else or not?—A. I am not through my statement.

Q. You are not touching this question?—A. Well, I am not through my statement.

Q. I will have to appeal to the chair. I do not intend to listen to all the witness' dealings with the Transcontinental Railway Commission. If we have to do that we must quit.

The CHAIRMAN.—I think if the purpose of the question is to determine whether the charge made was a reasonable one and what the witness did for that charge, I think it is very difficult to circumscribe him as to what explanation he thinks is necessary to give in justification of making the charge. I think it is desirable, however, that the explanation should be as brief as possible. At the same time it would hardly be fair to prevent him from explaining why he made that charge.

The WITNESS.—I will be as brief as I possibly can. I was not, I think, until more than a year later that the plan at that portion of the right of way railroad with which we are dealing was completed and registered in such a fashion that it was possible to acquire the titles to the right of way. Now, the railway was built long before the complete plan was registered. The owners were very much dissatisfied owing to not having been compensated for their land. It was not until 1907 that the plan was completed. The work involved some 120 or 130 or 140 or 150 parcels of land. That is the total extent of the work my firm has done or is likely to do for the Commissioners in this connection. In order to expedite the business as much as possible and to have it attended to promptly and to the satisfaction of every one concerned, my firm employed a man especially for the purpose of attending to this business, whom we would not have employed if it had not been for this work. For the object of having this business attended to promptly and expeditiously we paid that man \$1,500 a year for his services. We would not have incurred this expenditure if it had not been for this identical business that we are now considering. When the work started it was felt that it would be more satisfactory, both to the Commissioners and to us, that a reasonable flat rate should be established. Parcel No. 14, if you have that number, Mr. Meighen, was the first parcel of the right of way that was reported by the firm, and in respect of that a detailed bill was made up and rendered, the particulars of which I have in my docket. The fees in respect of it amounted to \$36 or \$37.

It was suggested, I suggested myself at the time that this bill was sent in, that probably a reasonable fee for the whole work would be in the neighborhood of \$30. per title. I thought that parcel No. 14 was in all probability—we were simply dealing with probabilities at that time because we were in the beginning of the work a fair sample of the amount of work that would be required in connection with the different parcels on the right of way.

Q. Just by the way, there, parcel No. 14 would be in your 1906 bill?—A. It is in the 1906 bill, is it?

Q. Yes?—A. That was the first parcel, and the detailed bill rendered in connection with that, which is included in the return, I understand, was the bill which



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formed the bases in the negotiations which were finally concluded by arriving at the \$30 rate; that is the way it was arrived at that it should be \$30 in respect to each parcel.

Q. That is clear?—A. I beg pardon?

Q. That is clear, there was one account in which the fees ran up over \$30 and \$30 was the rate arrived at on the hypothesis that they would all be about the same?—

A. Well, now——

Q. Now, in connection with these Torrens titles, Mr. Johnson, have you anything beyond the work incidental to preparing the transfer and having it executed, looking into it and reporting the title under the Torrens system?—A. What numbers were these?

Q. I had special reference to Konrad Manz?—A. What numbers were they?

Q. 77, 78 and 79?—A. I would certainly say that these 77, 78 and 79 were simple ones.

Q. The work in these fairly covered the work in connection with the Torrens titles, did it not?—A. They were about the simplest cases, I do not think there was any encumbrance on them.

Q. Wherever there were any encumbrances you had to pay the solicitor for the mortgagee for partial discharge, and that is included in your disbursements, that comes in addition to the \$30, you collected your disbursements?—A. Certainly.

Q. Now then, Mr. Johnson, you have charged not only \$90 for passing the titles to these three  $\frac{1}{4}$  sections of Konrad Manz that were in one certificate of title, but you make another charge of \$30 for passing the S.E.  $\frac{1}{4}$  of 3-11-5 over again under the heading of '79a' what was the reason of that?—A. 79a was owned by a man named Adam Cairns.

Q. 7a owned by Adam Cairns?—A. Yes.

Q. Are you sure you have the right one?—A. I have 79a here.

Q. What land is 79a?—A. The land is not given, but a reference is made at 79, or at the top of the page where 79 is, as to 79a.

Q. You are mistaken, I think, I may be wrong but I think that is 80, Adam Cairns?—A. I am simply giving you what I have in my records here.

Q. Your bill does not show it, your bill shows 79a to be in the name of Konrad Manz, S.E.  $\frac{1}{4}$  3-11-5, he is the man you charge?—A. 79a is the property of Adam Cairns, which is evidently the land.

Q. What land is that?—A. The land is not given.

Q. I have Adam Cairns put in S.W.  $\frac{1}{4}$  of 3-11-5, but in your bill if you will look at it, I have a copy here and you can look at it, I think I have the original here?—

A. That is entirely wrong, because at the top of the page where 79 is dealt with I find Konrad Manz owns  $67\frac{1}{100}$  acres of that  $\frac{1}{4}$  and Adam Cairns  $1\frac{52}{100}$ ths, whether that was additional right of way or what it was I cannot tell you, but they are entirely different transactions.

Q. In your bill it appears the same, and the taxing master evidently did not see it?—A. They are entirely different transactions, Mr. Meighen.

Q. Now we will take up another instance——

*By Mr. McKenzie:*

Q. The mistake did not make the bill any larger, did it, Mr. Johnson, whether it is the right name or not?—A. They were different parcels, the bill would not be any larger, no.

*By Mr. Carvell:*

Q. It is different land?—A. Part of the same quarter, but different title.

*By Mr. Meighen:*

Q. Take this case, I think you stated a little while ago that if an individual held

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title to a section, say section 10-10-10, you would call that one parcel of lots, if the individual—A. I did not say that, I said, 'he might call it as one parcel.'

Q. I understood you to say that if a certificate of title read, 'John Jones is owner in fee simple of section 10, township 10, range 12,' you would say that was one parcel.—A. I did not say that, I said he might look upon it as one parcel.

Q. But you did look upon it as four?—A. I was explaining the difference between how an owner would look at the parcel of land that he owned, and different parcels shown on the right of way plan.

Q. In a case where a man appears as the owner of a whole section you divided that into four parcels and charge \$120, as your fees?—A. That is a hypothetical case.

Q. Did you in any such case?—A. I charged in every case according to the arrangement and contract at \$30 in respect of each parcel of land.

Q. Was there any such a case as this, where an individual or a corporation owned one whole section, in one certificate of title, did you divide that into four quarters and charge \$120, and disbursements?—A. No, I did not.

Q. You did not in any case?—A. No, for the reason that the right of way could not possibly affect four quarters in each section.

Q. Then I refer you to 29, 29a, 30 and 30a in your bill?—A. To 29?

Q. And 29a, 30 and 30a?—A. I do not have any record here with the consecutive numbering.

Q. Well, you will find them in your bill, Mr. Johnson. I will ask you to look at the following four quarter sections in your bill and in the certificate of a district registrar of Manitoba?—A. Let me see the certificate of the District Registrar of Manitoba, please. (Document handed to witness.)

Q. There was in the bill the four quarters of the same section and the certificate of the Registrar of Manitoba certifies as follows: '29 S.E.  $\frac{1}{4}$ , 34-10-10, 29a N.E.  $\frac{1}{4}$ , 34-10-0, 30, S.W.  $\frac{1}{4}$ , 34-10-10, 30a N.W.  $\frac{1}{4}$ , 34-10-10,' being all of 34-10-10, above owned by the province of Manitoba in one certificate of title under the name of the province of Manitoba, four transfers, put in by Rothwell, Johnson & Stubbs, where only one was necessary.'?—A. The explanation no doubt is this, that I notice a red ink memorandum at the top of the page at 30 that the right of way is 100 feet on each side of the centre line, that is that it was 200 feet wide instead of 100 feet wide. Now, I am speaking from recollection, and it may not be right, although I am satisfied in my own mind that it is right.

Q. You see that it did go through parts of the four quarters?—A. I beg pardon.

Q. The result of it is the right of way did go through the complete parts of the four quarter sections?—A. It might down the central line, but, Mr. Meighen, permit me to explain the reason. After having registered the first plan showing the right of way a hundred feet wide, for some purpose they required additional right of way and prepared a new plan, and a new transfer or an additional transfer was evidently obtained for the additional right of way as shown on the subsequent plan.

Q. Would you be surprised to know that four transfers were drawn and dated the same date and registered at once?—A. I don't know about that.

Q. You would not deny it?—A. Well, I don't know. I would not deny anything that is true, Mr. Meighen.

Q. There is another case, Mr. Johnson. Take the case of Nos. 1, 2, 3 and 4 SE.  $\frac{1}{4}$  36 to SW.  $\frac{1}{4}$  36, SE. 35, SW. 35, all in 10 and 12. The registrar certifies as follows: 'Above four parcels owned by province of Manitoba in one certificate of title. Four transfers drawn by Rothwell, Johnson & Stubb where only one was necessary.' What explanation have to offer as to these?—A. The explanation is there were four parcels, Mr. Meighen.

Q. The same explanation as before?—A. Yes.

Q. That applies also to the SE.  $\frac{1}{4}$  of 36 and the SW.  $\frac{1}{4}$  36 in 10-10, where the registrar certifies that they are owned by the province of Manitoba under one certi-

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ificate of title, and two transfers were drawn and only one was necessary?—A. If there would be two parcels then——

Mr. McKENZIE.—I must draw your attention, Mr. Chairman, as a practical jurist to the way in which this question is asked and taken down. It is different from the ordinary practice in your courts, I am sure. The examiner expresses an opinion at the end of a question and that opinion is put down. That is quite apart from the practice in your courts of law. That is expressing the opinion that only one transfer is necessary.

The CHAIRMAN.—I understood Mr. Meighen was reading the registrar's statement.

Mr. McKENZIE.—But he is adding to it; that is not the certificate.

Mr. MEIGHEN.—Yes, it is.

Mr. CHAIRMAN.—I understood it was.

Mr. McKENZIE.—It cannot have any bearing at all upon what I am saying.

Mr. CARVELL.—He is giving the evidence of the registrar of Manitoba, who is not a witness before the committee.

Mr. McKENZIE.—He is expressing the opinion, whether it is in the certificate or not, that only one transfer is necessary, although three or four parcels of land may be involved. Now, that is purely a matter of opinion, which ought not to be on the record.

The CHAIRMAN.—I do not understand that anybody's statement becomes evidence because it is in his question. So far as my training goes, I have always looked for evidence in the answers and not in the questions. I think perhaps it might be objected that it served no useful purpose for the counsel to state that one transfer was necessary because it is not evidence.

Mr. MEIGHEN.—I never stated that.

Mr. McKENZIE.—The point is this: the evidence is published and goes abroad into the country and is used for political purposes. Otherwise I would not open my mouth about it. This document is read and then the opinion of this very learned counsel is given to the country that the expense so incurred was not at all necessary. That is my objection.

Mr. MEIGHEN.—It is the registrar's opinion, not mine.

The CHAIRMAN.—I cannot for one moment allow it to be supposed that the fact that this is being used for political purposes would affect my judgment in the slightest one way or the other. As I understand it, when one is called upon to make a distinction one should do so according to what is right, and irrespective of what the effect may be for political purposes. I quite understood up to the present, I don't know whether the committee so understood, that Mr. Meighen was reading the registrar's statement and asking the witness what the explanation was. I do not understand that Mr. Meighen was expressing his opinion. I understood Mr. Meighen was confronting the witness with the registrar's certificate that two transfers were made where only one was necessary and asking him what the explanation was.

Mr. CARVELL.—I think you are right. I think you have properly appreciated the force of this question. The greatest objection I see to it is that it is getting in the evidence of a man who is a thousand miles away and not under oath at all.

Mr. SHARPE (North Ontario).—It is his certificate.

Mr. CARVELL.—But is it not sworn to.

The CHAIRMAN.—I do not understand that any statement in Mr. Meighen's question is evidence on anything.

Mr. CARVELL.—Council asked the witness if he would accept the statement of fact as to the registration of this document and he said he certainly would. He brings here a document that goes much further than the registrar of any registry officer in Canada has the right to go. That is, he first says that as a matter of fact these documents were records. Then he makes the statement for political purposes



that they are not necessary. My honourable friend is trying to incorporate that unsworn testimony into the evidence and in that way get it before the country.

The WITNESS.—Mr. Chairman, I feel that this concerns me very much, inasmuch as Mr. Meighen brings here a document totally different from the document which he asked me if I was prepared to accept. The document I thought Mr. Meighen had in mind is what is known to the profession in Manitoba as a 'search letter,' a certificate by the registrar that on a certain date the title to certain land stood in the name of so and so. I want it distinctly understood that my answer as to accepting the statement of the district registrar did no include the expressions of opinion set out in the certificate which Mr. Meighen has there now.

Mr. MEIGHEN.—That is only fair.

The WITNESS.—And I would ask to be understood again that when the district registrar speaks of what is necessary or not necessary, he has reference to what is necessary for the purpose of his own office, for the purpose of enabling you to get registration through because under the new system in Manitoba, the Torrens system, the district registrar is a perfect autocrat as to what document shall be registered or shall not be registered, and as to when that document is in a proper shape to be registered and when not. So that when he says that four transfers are not necessary, he means 'necessary' to apply to the work of his office.

*By Mr. McKenzie:*

Q. He has no business to pass evidence upon any system adopted by lawyers in registering documents?—A. Absolutely none. He does not intend any such statement as that.

The CHAIRMAN.—It did not strike me that anybody would suppose that what was in the question was evidence at all. If it is true that any people have that belief then we want possibly to avoid any misconception. Perhaps it would be better if Mr. Meighen would confine himself to questions of fact. I understand the question to be as to whether transfers were necessary for a number of quarter sections instead of a transfer for one lot. That is a question which everybody can judge for themselves. I thought Mr. Meighen was simply reading the registrar's certificate. If it is possible that anybody is under a misconception, or the witness places a false conception, on the reading of that expression of opinion, perhaps Mr. Meighen would have no objection to limiting himself to questions of fact.

*By Mr. Meighen:*

Q. Your practice briefly throughout was, you need not go into any more particulars than are here, never to permit any parcel of land to consist of more than a  $\frac{1}{4}$ ?—A. Now, I submit that is an utterly unfair question.

Q. Did any parcel ever go over a  $\frac{1}{4}$ ?—A. That is an utterly unfair question, because Mr. Meighen implies that I did not permit a parcel to consist of more than so much. I simply took the right-of-way plan and the different parcels were shown there, and I dealt with it as that, and charged the fee agreed upon. That is the whole thing in a nutshell.

*By Mr. Currie (Simcoe):*

Q. As a legal gentleman what do you consider a parcel of land?—A. A parcel of land?

Q. Yes, if I come and ask you to register a parcel of land, what constitutes in your mind, a parcel of land?—A. I would hate to give a professional opinion on that, but when a plan is put before me showing a division of the land laid off by dividing lines, then I would take the quantity of land between the dividing lines as a parcel of land, and according to the survey in Manitoba—



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Q. Supposing I give you authority to obtain a title for fifty acres of land and ask you to complete the title for it, have you any authority to go, and out of your own head divide that up into town lots and register the document against each lot, as you have done here.

Mr. CARVELL.—I think the honourable member should withdraw that statement, he says this is apparently what the witness has been doing.

An Honourable MEMBER.—Sit down.

Mr. CARVELL.—I will not sit down until the honourable member for Simcoe withdraws that statement. The witness has stated that he had the plan before him showing the different parcels of land, but Mr. Currie stated that the witness had of his own volition divided up this land, and he should be man enough to take that back and withdraw it.

Mr. CURRIE.—You just sit down, you can't scare me, I have been accustomed to meet loud talkers like you. The way I look at it as a business man is that if a man takes a parcel of property under one title and instructs his solicitor to have the title made to that property that is under one deed and one title, what authority has the solicitor to divide that property up into several titles and several deeds?

*By Mr. Macdonald:*

Q. You have heard what this gentleman says that you did. Did you do what he says you did? Was it you who drew the plan dividing this land, or did the plan come to you in that condition?—A. The plan came to me in that condition, and I simply worked on the plan and got the titles to the different parcels shown on that land.

Q. Did you sub-divide those parcels in the way in which he says?—A. Absolutely no.

Mr. MACDONALD.—Then I think Mr. Currie ought to take it back.

Mr. CURRIE (Simcoe).—I will not, I am going to ask this witness one question.

*By Mr. Currie:*

Q. How many documents were there in connection with this title that came into your office? How many deeds, the Torrens title is a Torrens deed, how many deeds were there?—A. Each parcel?

Q. Yes?—A. There was one, but there were three different parcels in that one deed.

Q. I know, and you went of your own volition and divided it into three parcels?—A. I did not.

Mr. CARVELL.—I submit that is an unmanly statement. Mr. Currie says that the witness of his own volition divided that up. It is not so, and no gentleman will make any such statement. I submit that no gentleman will stand up and insult a witness like that.

Mr. MEIGHEN.—I did not propose to insult the witness at all.

Mr. CARVELL.—No, you have not insulted him, it is Mr. Currie who has done it; he has not pursued the course of a gentleman and ought to be man enough to take it back.

Mr. CURRIE.—Whenever there is a question of gentlemanly behaviour it will not be between the hon. gentleman and myself, I do not take lessons from him.

*By Mr. Currie:*

Q. I want to ask the witness if he had any instructions to do that, to divide that property up?—

Mr. CARVELL.—He told you he followed the plan?—A. I have no objection to answer Mr. Currie. When you ask me if I had any instructions to do that, what do you mean by that?

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Q. Had you any instructions to divide up that property?—A. I did not divide it up.

Q. You did.

Mr. CARVELL.—Take it back.

*By Mr. Currie:*

Q. You made three registrations?—A. Because there were three parcels in that certificate of title. If Mr. Currie will simply look at the certificate of title he will see that it certifies that a certain person was the owner of those parcels or tracts of land described therein.

*By Mr. Meighen:*

Q. Would it say so in the case where the province of Manitoba owned the whole of Section 36-10-10, would it say, parcels, there?—A. I do not know that—

Q. Answer the question?—A. Well, would it say? Mr. Meighen knows, if it did say so it would not be a correct statement, because there are four parcels.

*By Mr. Sharpe:*

Q. It would not say so?—A. I am not saying that it would not, because it might say what was not absolutely accurate.

*By Mr. Meighen:*

Q. Do you know, as a lawyer of Manitoba, that the way that the certificate would read would be this: 'This certifies that the King, that is the province of Manitoba, is the owner of a certain parcel or tract of land, 36-10-10'?—A. Don't I know that?

Q. Yes?—A. I do not know any such thing.

Q. Well, I would like that to go down and that it be emphasized. We will leave the committee to decide as to the necessity of the division. I would like you to remember that when I opened the examination I covered ten titles of which you reported four to have been Torrens titles before they were transferred to the Commission, and six to have been under the old system, you remember that?—A. I do not remember the proportions.

Q. I repeated it when you got through, and you assented to it; anyway that was correct and I'll stake my word on that. There were in the summary made there 89 titles referred to?—A. 84.

Q. 84 at \$30 each?—A. Yes.

Q. And there were the Kern & Mathews titles, perhaps you will recollect the Kern & Mathews titles for which you charged \$900, three titles in the case of Kern and two in the case of Mathews?—A. That is right.

Q. So that there will be 89 in all?—A. Yes.

Q. Now, then, leaving out the Kern and Mathews five, that will leave 84?—A. Yes.

Q. If you will look at this certificate and at these abstracts, I think you will see, you can check me if I am wrong, that of these 84 titles 68 were under the Torrens system, the remaining being the old system?—A. The Torrens system preponderated. system preponderated.

Q. That is 68 to 16?—A. Of course, you know, Mr. Meighen, that when this original arrangement was arrived at nobody knew what class of titles they were, or what proportion was new or what was old.

*By Mr. Reid (Grenville):*

Q. Was the expense that you submitted, where the cost was \$36, the first sample case that you submitted to the commission as a sample of what would be a fair

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charge for investigating these titles; was that a Torrens title?—A. No. 14 was an old system title.

Q. An old system?—A. Yes.

Q. Did you submit a sample of what the expenses would be under the Torrens system?—A. No, I did not.

*By Mr. Meighen:*

Q. Now, Mr. Johnson, if you care to you can take these figures down and check them later—68 and 15. Of these 68 titles I would like you to look and see whether or not 32 of the  $\frac{1}{4}$  sections do not belong to Manitoba under the Torrens system?—A. I cannot tell you that off-hand, Mr. Meighen, but if you will permit me, not all the land or not nearly all the land shown on the abstracts as belonging to the province of Manitoba did really belong to the Province of Manitoba for this reason: that a large amount of it was the subject of sale to settlers perhaps or the speculator who did not register any agreement for sale. Consequently, it appeared on the abstract as government land, whereas we had to deal with the purchaser from the government.

Q. I apprehend there would be some agreements. Could you tell how many of these thirty-two  $\frac{1}{4}$  sections were covered by agreement?—A. No, I could not off-hand.

Q. Now, I claim, and you can check my figures, that in the Land Titles office thirty-two  $\frac{1}{4}$  sections stood in the name of the province in only 18 certificates of title; that two of them stood in the name of J. H. Kern in one certificate; that four stood in the name of J. A. Regan in two certificates; that four stood in the name of Conrad Manz in one certificate; that two stood in the name of C.P. Federson in one certificate; that two you charged for stood in the name of A. T. Trowsdale in one certificate, but both were the same quarter-section?—A. What are you asking me to do with this.

Q. I am asking you to check it and see whether it is correct? I will leave these papers with you?—A. Check it with what?

Q. With the registrar's certificates and your bill. I also charge that two stood in the name of W. M. Osten in one certificate, and that 12 of them were in the name of individual owners alone. Now, I want to take up just for a moment the Kern and Matthews sections. You passed, you say, the titles to five quarter-sections in connection with the Kern and Matthews purchase for which you charged the Trans-continental Railway Commission \$900?—A. Yes.

Q. Five hundred dollars for three  $\frac{1}{4}$  sections *re* Kern and \$400 for two  $\frac{1}{4}$  sections *re* Matthews?—A. Well, that is not quite correct. I charged for \$600 *re* Kern.

Q. And you reduced it to five?—A. It was eventually settled at five.

Q. Yes, five hundred. The three  $\frac{1}{4}$  sections for which the \$500 was charged were in the name of J. H. Kern under the Torrens system in two certificates of title, were they not?—A. Well, I cannot say as to that, Mr. Meighen.

Q. Well, I produce the registrar's certificate and a copy of your bill?—A. You are following these, are you.

Q. Now I ask you by reference to them whether the Kern three  $\frac{1}{4}$  sections were not under the Torrens system in two certificates of title?—A. (After referring to document). Apparently they were. Of course, I understand that these are at my disposal.

Q. Certainly, to check the account. Now then, in connection with that \$500 charge, as I understand, for passing the titles—I may be wrong—for three  $\frac{1}{4}$  sections of J. H. Kern in two certificates of title, do you mean that the \$500 is on the original basis of \$30 per  $\frac{1}{4}$  section?—A. Well now, you don't mean that, Mr. Meighen.

Q. On what basis is the \$500 arrived at?—A. Well, I charged six hundred, Mr. Meighen.



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Q. Yes, six hundred?—A. The transaction involved a sum of money amounting to \$138,000.

Q. That was the purchase price of the land?—A. Yes, the purchase price. That money was paid over by me on my responsibility and consequently it is a transaction of very great magnitude. For work of that kind I had no arrangement with the commissioners except the \$30 flat rate as originally agreed upon, applied only to rural portions of the right-of-way.

*By Mr. Reid (Grenville):*

Q. Were these 1 sections rural portions of the right-of-way?—A. This was not right-of-way at all, but a site for the shops and yards of the Transcontinental.

Q. It was rural property though?—A. Certainly it was rural property but it was property that cost \$138,000 in respect of the Kern transaction.

*By Mr. Meighen:*

Q. But you will admit that the title was already under the guarantee of the Government of Manitoba?—A. Well, not the title. I had the responsibility of the transaction and the payment over of that amount of money.

Q. You had the Government of Manitoba between you and any possible sales.

Q. Was that money paid into you by cheque or by cheque to Kern?—A. That money was subject to my cheque in the Bank of Montreal at Winnipeg, and was chequed by me on my firm's cheque; I had the whole responsibility of the transaction.

*By Mr. Meighen:*

Q. Did it cover any more than the passing of the title and the responsibility which you say was involved in it?—A. The fee as finally settled at \$500 covered my services for the purchases of that which extended over flat rate as well as subsequently passing the title and paying over the money.

Q. Then I understand that in this case of Kern your fee covered services connected with the assistance you gave in negotiating for the purchase? It says so in your bill?—A. There had been small charges made, I think aggregating \$50 previous in a miscellaneous bill for these negotiations.

Q. Yes?—A. It was a sum entirely inadequate and out of all proportion to the class and kind of service rendered and the two together, having regard to what had already been charged and paid—and by the way only a portion of the \$50 was paid or allowed—were lumped at \$500 in a subsequent supplementary bill.

Q. So I understand, Mr. Johnson, that for these negotiations that you say were a part of the basis of the \$500 charge, you had already charged something for the year before on your 1906 bill?—A. I had already made a small charge which was reduced on taxation.

Q. But, Mr. Johnson, you intended your charge in 1906 to cover that work, did you not?—A. No, I did not.

Q. Now——?—A. That was all taken into consideration. We had regard to what had already been paid in connection with these services when the supplementary bill was fixed at \$500.

Q. That is to say you included part of your account regardless of whether it had been paid before or not?—A. No, I did not, that is not right. But we had regard to what had been already paid when the supplementary bill was made out.

Q. You had regard to the fact that you had not been paid enough the year before for the part you took in the negotiations, is that correct?—A. When the supplementary bill was put in at \$500, being the amount agreed upon, we had regard to the very nominal fee charged in the first place and then reduced. My recollection is in connection with the transaction——



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Q. That simply in plain English is this: that in the long run you got your \$500—if I am wrong correct me—and you say you had regard to the very nominal fee and having regard to the fact that you had not been paid enough—

Mr. CARVELL.—I must object. Mr. Meighen has been doing very nicely for the last fifteen minutes and not giving any evidence at all.

Mr. MEIGHEN.—That suits you, I suppose.

Mr. CARVELL.—It suits me all right. Ask the witness what he had, that is all. We are here to find out. If Mr. Meighen wants to make any speeches he can do so later on.

Mr. MEIGHEN.—If you are through I will start again.

Q. This charge of \$1,500 you say was for more than the work of preparing the transfer and reporting on the title. Did it cover certain work which you did in 1906, for which you claimed you had only received a nominal fee?—A. Yes.

Q. I put it as fairly as I can?—A. That is no doubt perfectly right. In arriving at the \$500 we had regard to what had been charged and allowed on a very, very low basis before.

Q. For the same negotiations?—A. The same transaction.

Q. Now, Mr. Johnson, in your 1906 bill you charged as follows for these very same negotiations?—A. These are the items that I refer to.

Q. I will read you these charges, 'November 27th, attendance with Messrs. Young and Morton on negotiations with Messrs. Kern and Mathews for the purchase of their property, \$15.' I will give the decrease later.—A. What was that reduced to?

Q. That was reduced to \$10. Then 'attendance again with Messrs. Young and Morton on Kern and Mathews when basis of agreement was arrived at \$25,' that was taxed at \$15. Then 'drawing option and revising same, attendance \$10,' that was left. 'Attendance with Messrs. Young and Morton on Kern and Mathews, further revising agreement and options when same executed, \$25,' that was taxed to \$15. These are the charges you refer to as having been only nominal and what was taxed off them?—A. Those are the ones.

Q. So that in the year 1906, in November of that year, you actually made charges for these very same negotiations?—A. Yes, and I tell you why.

Q. Of \$15, and \$25, and \$10, and \$25?—A. Yes, and I'll tell you why: the amount of time consumed in connection with those negotiations was very great and there was a very, very considerable amount involved. The negotiations were drawn out and protracted, and I felt at the time that the charge I was making was ridiculously low, a charge I would not think of being satisfied with in connection with a transaction of that magnitude, but my reason for making it so low was this, that if I rendered the commissioners a large bill for professional services in connection with a transaction of that magnitude, it would have the appearance, and I would be in effect saying to the commissioners, that I was the whole thing, that Mr. Young was simply looking on while I had charge of the transaction, and it occurred to me at the time, and I am only now relating to you just precisely what passed through my mind at the time, and I purposely made my charges low because if I charged them an amount which would be commensurate with the responsibility of the work and the magnitude of the transaction involved, it seemed to me it would have the effect of suggesting to the commissioners that I was the whole thing and that Mr. Young was assisting me in the matter.

Mr. REID (Grenville).—As a matter of fact were you the whole thing in the transaction?—A. I was Mr. Young's solicitor, solicitor for the commissioners in the negotiations.

*By Mr. Sharpe (Ontario):*

Q. You knew the amount involved at that time?—A. Certainly.

*By Mr. Meighen:*

Q. Would it not just as much look as if you were the whole thing when you rendered your bill later?—A. The bill was later on taxed, and when the matter was up before the Solicitor General Mr. Young explained the part I had taken in the transaction, I had previously explained to him that the charges I had made were not the charges that I considered commensurate remuneration for the work that I had done.

Q. All right, you made these charges amounting to \$75, in 1906, and the taxing officer, although you considered them ridiculously low, considered them ridiculously high and he taxed \$35 off the amount?—A. Yes. Well now——

Q. Now then, Mr. Johnson, that is the best account?—A. Let me go ahead on this.

Q. Just a minute. You said, in the opening of your examination to-day, that you had been paid entirely for your work of 1906, did you not?—A. Mr. Meighen, are you getting technical now?

Q. No, I am asking you if you recollect you said that you were paid for your work in 1906?—A. That bill of 1906 was paid, yes.

Q. Now then, with regard to this \$500 account?—A. \$600.

Q. All right, \$600 for the transaction in connection with the Kern property, you did not state it covered in part the negotiations of the year before?—A. I did not state it on the first bill?

Q. No?—A. But when the bill was being explained to the Solicitor General, Mr. Young explained to him that the services were not only in connection with the passing of the title to the property, but extended back to the negotiation for the purchase of the property, for which I had made what appeared to be a very small charge, and which the Solicitor General admitted was a small charge, and which was then taxed for it.

Q. I admit that the Solicitor General passed the bill finally when you put it in that way?—A. He had to admit it was right.

Q. It was Mr. Young's business, or the Transcontinental Railway Commissioners' business was it not, to conduct these negotiations and to assume the responsibility incident thereto?—A. Well, I do not like to express an opinion on that, but it is customary for a business man when engaged in transactions or negotiations involving large amounts to have the benefit of the advice of their solicitor, and Mr. Young availed himself of that privilege on that occasion.

Q. And you charged for it, but charged a small fee for fear the Commissioners would think you thought you were the whole thing?—A. For fear, as I gave you my impression, that was my reason for making the bill ridiculously low at that time.

Q. And over a year afterwards you went back and included some work in that regard when making up your bill?—A. We took that into consideration in making the second bill.

Q. Now, Mr. Young, when this \$600 bill was presented, uttered a protest, did he not?—A. The Commissioners did through their law clerk.

Q. Mr. Young did, did he not?

MR. CARVELL.—I object. You can see, Mr. Chairman, how unfair the question is. Mr. Meighen asked the witness if Mr. Young did not enter a protest and the answer is that the Commissioners, officially, through their law clerk, entered a protest. Now, my hon. friend turns right around and says that Mr. Young offered a protest. I do not think that is fair.

*By Mr. Meighen:*

Q. Did not Mr. Young write to you, Mr. Johnson, protesting against this bill?—A. I have no recollection of that just now, he might have.

Q. And did he not say in that letter that you must have made a mistake in your

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office? That it should have been \$60, and that you had made it \$600?—A. Oh, that is right, he did.

Q. The \$400 charge in connection with the Mathews property covered two ½-sections, one under the Torrens title and one under the old system, did it not?—A. Yes. Are you through with the questions that you want to ask me about the Kern property?

Q. As far as I know I am?—A. I would like to explain right at this stage if I may—

Q. You did explain?—A. Have you any objection to a further explanation?

Q. Have you any explanation beyond what is in both editions of your bill, it came out in the first edition, and then there was a second edition. If there is any explanation beyond what is contained in those two editions perhaps it will be fair to give it?—A. The title to these properties, involving such a large amount, was not to be subject to that flat rate agreement, that is perfectly clear. The question then came up, what would be a fair charge to make, what would be a reasonable charge to make for business of that kind? Now, I considered the matter and I discussed it with my partners. I personally and perhaps trespassing upon friendly relationship with officials, saw the taxing officials in the province of Manitoba—the prothonotary of the Court of King's Bench, the taxing officer of that court, and the master who taxes accounts in the Court of King's Bench, and so on, and I asked these gentlemen individually on a certain morning what would be a fair charge on a transaction of that magnitude. I asked one of them first and I immediately went across the hall to the office of the other and I asked him and they both gave their off-hand opinion.

Q. Would you say, Mr. Johnson, that was evidence, especially as one of them is here?—A. Well, it is evidence of how I arrived at—

Q. You took counsel?—A. It is evidence of how I arrived at the amount I charged.

Mr. REID (Grenville).—Mr. Chairman, it is one o'clock. I do not think we are going to get through, so I move that we meet to-morrow morning.

Mr. CARVELL.—Let the witness finish this part of his statement.

Mr. REID (Grenville).—I thought that he was through with that part of his statement.

The WITNESS.—I went across to the office of the master and asked him what, in his opinion, would be a fair charge. I told both gentlemen the amount involved and the titles involved—in fact, what the particular property was—and they both substantially agreed.

Mr. MEIGHEN.—You should hardly give that evidence.

The WITNESS.—That is the evidence.

Mr. CARVELL.—That is the important part of it.

Mr. MEIGHEN.—Do you think that is evidence?

Mr. CARVELL.—That is the important part of it.

Mr. MEIGHEN.—That is New Brunswick evidence.

Mr. REID (Grenville).—I think that expressing the opinion of a man who is not here to give evidence is hardly fair.

Mr. CARVELL.—Mr. Meighen has brought the registrar here on paper.

Mr. REID (Grenville).—It is a certified document.

Mr. MEIGHEN.—I am not putting this in as evidence.

Mr. MACDONALD.—You are quoting from it.

Mr. MEIGHEN.—I am quoting from it as helping the information given as evidence.

Mr. REID (Grenville).—I object to your proceeding any further, because it is one o'clock.

Mr. CARVELL.—Let the witness finish his statement.



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Mr. REM (Grenville).—Bring the man from Winnipeg here.

*By Mr. McKenzie:*

Q. From the information that you can ascertain in Manitoba and the line of business charges followed in connection with a transaction of this kind, was your charge fair and reasonable?—A. Not only do I think so, but I consulted what I consider the very best authorities——

Q. That is involved in my question?—A. On that very subject. I rendered the bill on the very figures suggested approximately by both those gentlemen I have named as a very proper figure, and I subsequently, in respect of the Kern one, accepted \$100 less.

*By Mr. Meighen:*

Q. On your total bill of \$4,721.32 as it finally passed at that figure, how much has been taxed off by the taxing officers of the Crown?—A. As it eventually went through?

Q. Yes, in your 1907-8 bill?—A. Quite a few hundred dollars, I think.

Q. Well, I will ask you to look and see if it was not exactly \$47?—A. I have got it right here and I will tell you just exactly what it was.

Q. That is what it was?—A. Well, now, you are——

The CHAIRMAN invited the committee to a consideration of motions for the production of accounts in regard to other matters, and these having been disposed of, the committee adjourned.

COMMITTEE ROOM No. 32,

HOUSE OF COMMONS,

THURSDAY, April 29, 1909.

The Select Standing Committee on Public Accounts met at eleven o'clock a.m.

In the absence of Mr. A. H. Clarke, Chairman, on motion of Mr. Carvell, Mr. M. S. Schell presided.

The committee resumed consideration of a payment of \$4,721.32 to Rothwell, Johnson & Stubbs, W—349, Report Auditor General, 1908.

Mr. THOMAS H. JOHNSON, recalled.

*By Mr. Meighen:*

Q. You have looked over the search letter of the registrar dated 31st March, 1909, and the abstracts covering all, I believe, except ten of the parcels for which you charged?—A. I glanced over them, yes.

Q. Did you know what they covered?—A. I do not want to be understood as admitting that the certificate from the registrar is a search letter; it is not a search letter.

Q. Well, we will call it a certificate?—A. Yes.

Q. Did you check them to find that they covered 79 of the 89 parcels charged in your bill?—A. I did not check them minutely at all.

Q. I asked you to do so. Would you admit that they cover 79 of the 89?—A. The reason I did not check them minutely, Mr. Meighen, was that I did not have



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before me the figures that you alluded to so that I had nothing to check them by. On the other hand, I know what you want.

Q. I just want to sub-divide it.—A. I know what you want, and to shorten the enquiry I am prepared to admit——

Q. To make it fair you might admit it subject to confirmation by Mr. Walker who has checked them over with that object in view?—A. I would rather put it the other way, that I will admit that three parcels were in the name of Konrad Manz.

Q. That is what I had in view, I mean simply dividing between the Torrens titles and the old system.—A. I did not understand it that way.

Q. That is what I want?—A. I will say this, that there were 14 old system titles, and I have no doubt that the proportion you state is absolutely correct.

Q. The proportion I stated was 14 old system and 6 that you gave me yesterday as under the old system, that would be 20 under the old system, and the balance would be new system?—A. I have no doubt that is substantially correct.

*By Mr. Reid (Grenville):*

Q. While Mr. Meighen is examining the witness, will the witness let me see that docket of his showing the account made up at \$36?—A. It is in the return.

Q. A copy of the account?—A. Yes, it is in there.

*By Mr. Meighen:*

Q. I do not see it there myself.—A. It is in the return. I have not looked there for it myself, but Mr. Atkinson has told me it was in the file, a copy of which is in the return.

*By Mr. Reid (Grenville):*

Q. And this account is a copy of your docket?—A. The same as the docket.

Q. Exactly the same?—A. Well, I think there is one dollar difference, the docket is one dollar more.

*By Mr. Meighen:*

Q. Did you search also the documents I left with you with a view of finding out how many of those parcels stood under the Torrens system in the name of the Province of Manitoba?—A. I did not make any search or enquiry into that, but as I said yesterday, I have no doubt but what the district registrar states in that connection was the state of the title at the time. But I think I mentioned that yesterday too.—

Q. There were some agreements outstanding?—A. But that with respect to a number of titles which stood in the name of the province of Manitoba in the Land Titles Office, the land had been sold under agreements for sale to different parties.

Q. Can you tell us, Mr. Johnson, as nearly as you can, how many of these there were?—A. I can only approximate that, Mr. Meighen, but I should think it would be in the neighbourhood of one-third of the total would be subject to that condition; something in the neighbourhood of one-third of the parcels standing in the name of the province of Manitoba were subject to agreements for sale in consequence of which we had to deal with the purchaser from the province.

Q. Now then, Mr. Johnson, what did the Transcontinental Railway pay the province of Manitoba per acre for the land they took?—A. I do not know, I did not pay it.

Q. You had nothing to do with it?—A. No.

Q. You had to do with it in some cases?—A. Yes, I think we paid in all cases to the private owners, but the right-of-way agent for the commission made a lump arrangement with the government for the right-of-way, and paid them by one cheque.

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Q. Are you not aware that the price was \$10 per acre?—A. It may have been, I had nothing to do with it.

Q. You have been so informed, you must know, of your own knowledge?—A. I think I am safe in admitting that the price was something in that neighbourhood.

Q. And the amount taken by the railway would vary I presume from a fraction of an acre to ten acres?—A. Well, the railway—

Q. Out of each quarter section?—A. The line of railway throughout the entire portion with which we dealt deviated, I think, to a very slight extent, I think there was just one curve, and it ran along the southerly edge of the section lines throughout the greater portion of the distance, so that it took a uniform amount out of each quarter section, it just took off the edge.

Q. About what amount?—A. I think it was just six acres and a very small fraction.

Q. About six acres off each quarter section?—A. Yes.

Q. Now, do you know of any reason at law, outside the objection which you have urged that the Transcontinental Railway Commission wanted each parcel in a separate file, do you know any reason at law why you could not have transferred all the land standing in the name of the province of Manitoba to the Transcontinental Railway Commission in one certificate, that is the whole 32 parcels?

Mr. McKENZIE.—Is there any reason at law why the whole earth would not be put in one deed?

*By Mr. Meighen:*

Q. I am afraid there is, Judge McKenzie?—A. I do not like that question, Mr. Meighen.

Q. Of course not. Well, we will leave it at that. Mr. Johnson, you have stated that part of the work for which this \$30 lump fee was charged in connection with each parcel was the preparing of the transfers, have you not?—A. Yes.

Q. Now, as a matter of fact, in your bill of 1906, which was paid, and which was settled for, you made a charge for preparing a special transfer for the commissioners to cover cases of all kinds of titles to land passing from the owners to the commissioners?—A. There was a special form of transfer printed.

Q. Yes?—A. I adopted the same method that I do with the loan companies for whom I act, when they get out a new form it is revised by me, prepared for the printer, and got out, and for that I make a charge to the company. I did exactly the same thing with the commissioners.

Q. You are quite aware that in preparing papers for loan companies you ask for special clauses, but in the case of transfers no such thing as a special clause is permitted by law, that is a fact, is it not?—A. Are you arguing now?

Q. No, I am asking a question on something that you know about as well as I do, if not better, is there a special form printed?—A. There is certainly a specially printed form of transfers for the purposes of the right-of-way, the same as—

Q. The only thing would be that the name of the donee, as the Transcontinental Railway Commission, would be inserted, that will practically be the only difference between that and the regular form. There could not possibly be any special clause inserted?—A. There would be no special clause inserted.

Q. You did make a charge for preparing that form?

Mr. McKENZIE.—Have you a statutory form of deed?

*By Mr. Meighen:*

Q. There is a statutory form covering the transfer of land. That is a fact, is it not?—A. Certainly.

Q. And you also charged in your bill for 1906 for preparing a special form of deed for the use of the Commissioners?—A. Yes.

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Q. Covering the old system titles?—A. Yes.

Q. I believe that the charge is \$10?—A. I do not remember.

Q. It is in your bill here. The Commissioners then prepared their transfers and deeds and had them printed in each case?—A. Yes, certainly.

Q. Subject to revision by you, which was part of your work?—A. Yes.

*By Mr. Reid (Grenville):*

Q. Now, so far as the Kern property was concerned, your fee was \$600 for drawing that conveyance and examining title, is that correct?—A. No.

Q. Well, I understand they did that. You received instructions from the Commissioners to examine title and prepare the conveyance for the Kern and Mathews properties, is that right?—A. I was acting for them in connection with the purchase of it.

Q. That is not the question I asked. I asked did you receive instructions from the Commission to examine the title and prepare the conveyance for the Kern and Mathews properties?—A. Well, after the options—

Mr. McKENZIE.—Is this the \$500 charge you are talking about?

*By Mr. Reid (Grenville):*

Q. I will get at the price afterwards. I understood it was \$600?—A. Yes, I was instructed to close out the purchase, and the instructions came first by wire and subsequently were confirmed by letter.

Q. Well, but that is not the question I asked. Did you receive instructions from the Commissioners to examine the title and prepare the conveyance for the Kern and Mathews properties?—A. I will tell you just exactly what I was told to do. I received a wire that the option which the Commissioners had from Kern was exercised by the Commissioners, and I was instructed to carry out a purchase on the terms of the option.

Q. Well, but carrying out the purchase was simply preparing the conveyance, and when that was completed the cheque was handed to these people, is not that right?—A. Well, I am not arguing this point—

Q. I am not arguing it at all, I want you to tell us the position exactly. You say you received that telegram. What did you do then?—A. I then got into communication with Kern's solicitors with a view to carrying out the purchase.

Q. What do you say as to the position you were in then? What did you tell Kern's solicitors?—A. I would say: 'I have instructions to carry out the purchase for these three-quarter sections.'

Q. And what was your position then, what was necessary to be done?—A. What was necessary to be done?

Q. Yes?—A. There were encumbrances on it, they had to be paid off, and the cheques paid, and the usual work of a solicitor in connection with the purchase of land.

Q. Can you tell me whether the encumbrances were mortgages or simply options?—A. Mortgages.

Q. They were mortgages?—A. Yes.

Q. And did you attend to that, or did Kern's solicitor get all the documents necessary to give a clear title to you when the money was to be paid?—A. Mr. Kern's solicitors certainly assisted in carrying out the purchase.

Q. That is not the question I have asked. What position was the matter in when the money was ready to be paid, after you had prepared the conveyance, had Kern's solicitors got all the documents necessary in so far as perfecting the title is concerned up to that point?—A. No, I do not think so, because my recollection is that there was quite a large amount kept back at first out of the purchase money until some encumbrances were disposed of.



*By Mr. Meighen:*

Q. Is not that the Mathews' property you are speaking of?—A. I am confusing the two.

Q. There was an encumbrance on the Mathews' property of \$14,000.

*By Mr. Reid:*

Q. The point I want to get at is what position that title was in. You have stated, of course, there were encumbrances to be dealt with. I want to know whether after you had communicated with Kern's solicitor he left to you the work of getting those encumbrances cleared off, or whether he, acting for Kern, got the title perfected ready to hand over to the Commission when the money was paid?—A. He certainly assisted in carrying out the purchase and making his client's title perfect.

Q. That is not the question, Mr. Johnson; you know my question is a square, straight question?—A. It may be, to your mind.

Q. I think it is to any fair-minded man, and I will leave it to the Chairman to decide if it is not.

Mr. McKENZIE.—I think, if I understood your question, that the witness has given a fair answer.

Mr. REID (Grenville).—I will ask the question again; I do not want an answer to an unfair question.

*By Mr. Lennox:*

Q. It is the duty of the vendor's solicitor to perfect the title, and it is the duty of the purchaser's solicitor to see that it was perfect?—A. That is what I have said.

*By Mr. Reid (Grenville):*

Q. Did Mr. Kern's solicitors carry out what they were legally entitled to do in so far as Kern's end of the work was concerned?—A. Well, it is a question what they were legally entitled to do; that is a large, open, debatable question, and I am not going to answer a question of that importance. But I have said that Mr. Kern had a solicitor acting for him who assisted and facilitated the carrying out of the purchase; he was acting for the vendor, I was acting for the purchaser. Mr. Hull, who was acting for the vendor, was assisting—

Q. Did Mr. Kern's solicitors pay off the mortgage, or was it you?—A. I do not remember how that was done.

Q. Did you pay off the taxes or did Mr. Kern's solicitors?—A. I do not remember that either.

Q. You do not remember any of these facts?—A. I do not remember any of the details; all I was interested in was being dead sure that we got a perfect title, and then the money was paid.

Q. And you charged the government for that conveyance and examining the title?—A. I charged them for acting for them in connection with the whole transaction, and the details bear out the bill.

Q. Why did you not charge the same price for these other titles, there is just as much work in each of these others?—A. Each one of which?

Q. These other titles here?—A. Do you mean the right-of-way parcels.

Q. Yes, these parcels here, there is practically the same quantity of work in these?—A. Is that the way you would have done the business?

Q. No, it is not, but it is the way you seem to have done it according to your statement?—A. And you are asking now why I did not do it that way?

Q. I am wondering why when you get \$600 for one deal you did not work the Commissioners for the others?—A. Now, look here, Mr. Chairman, I do not like to have any gentleman in this committee insinuate that I am 'working' the Commissioners. The charge for doing work depends, somewhat, very largely, upon the amount involved. I will give you an instance. In the province of Manitoba we get \$5 for



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drawing an agreement for sale, that is a common, ordinary fee, and very often we get \$10.

*By Mr. Meighen:*

Q. Take care, you will have them all up there practicing.—A. We very often get \$10 for drawing an agreement——

*By Mr. Sharpe (Ontario):*

Q. We are wasting time now.—A. Mr. Chairman, we are not wasting time at all. These gentlemen want enlightenment, and I am going to give it to them. The ordinary charge for preparing an agreement for sale is, as I have stated, \$5 or \$10. I know of one transaction where an ordinary agreement for sale with the ordinary covenants to protect the vendor was prepared by a reputable and responsible firm of solicitors in the city of Winnipeg involving \$142,000.

*By Mr. Carvell:*

Q. What did they get for it?—A. They charged and they got, it was paid without a whimper, \$250 for preparing that agreement, in view of the large amount involved. They did nothing but prepare the agreement, they had nothing to do with the fixing up of titles or anything of that kind.

*By Mr. Meighen:*

Q. We don't want to know anything about that?—A. But I am giving it to you.

Q. Your arrangement with the Commissioners was \$30 per title for the rural districts; and you added the words to that, 'for right-of-way'?—A. Yes.

Q. But you say that in a case where they were buying for station yards, even though it was in the rural district you felt justified in changing that and charging at the higher rate?—A. You are on the wrong track altogether.

Q. I do not think so.—A. I am anxious to clear this up.

Q. In answer to Mr. Northrup you said that when you came to this deal with Kern and Mathews by reason of the fact that it was not for right-of-way you did not feel that it was within your agreement?—A. Certainly, that is right.

Q. What is the difference when it is rural land, in a rural district, what is the difference what they use it for, as far as your work is concerned—A. It seems to me you are either looking for trouble or quibbling.

Q. No, no, I am not?—A. The reason we charged a large fee in connection with the Kern-Mathews properties was, it had nothing to do with the purpose or object for which the property was acquired, but it was on account of the large price involved, the amount of responsibility incurred, that was the basis of justification for the larger fee.

Q. But, Mr. Johnson, when it is a Torrens title you must admit that the responsibility is practically nil?—A. I admit nothing of the kind, and I am quite sure that Mr. Meighen does not admit it either.

*By Mr. Reid (Grenville):*

Q. Can you show me on the file that bill that I spoke about?—A. I was told that it was included. Mr. Atkinson showed me the file, a copy of which he had handed in.

*By Mr. McKenzie:*

Q. There was something said here yesterday, Mr. Johnson, about you making work for yourself by increasing the number of lots on that plan?—A. Yes, sir.

Q. It was largely insinuation. Did you have anything to do with the preparation of that plan?—A. Literally nothing.

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Q. And was the plan filed, as I understand it was, in the Registry of Deeds, by the commissioners themselves?—A. No, it was filed by me; it was sent to me to be filed.

Q. And did you file the plan as it reached your hands without any alterations?—A. Oh, certainly, of course.

Mr. MEIGHEN.—It is the right-of-way plan you mean?

Mr. McKENZIE.—Yes.

*By Mr. McKenzie:*

Q. It was hinted at here yesterday by some member of the committee, that you were making lots for the purpose of making fees. Is there any truth in a statement of that kind?—A. Literally none.

Q. And the parcels, as you call them, were defined on the plan before it was put on record?—A. Yes, sir, I have a duplicate of the plan here (producing plan), which I will be glad for any member of the committee to peruse. It shows the parcels, how they are divided off, and how they are numbered.

Q. Do these parallel white lines divide the parcels?—A. No, these (indicating on plan) are the parallel white lines which divide the parcels. This, for instance, is Parcel 42, and this is Parcel 43

*By Mr. Sharpe (Ontario):*

Q. Where is the parcel where the four  $\frac{1}{4}$  sections are?—A. I will show it to you here.

Mr. MEIGHEN.—Take 34—10—10.

Q. Where are the four quarter sections?—A. Konrad Manz?

*By Mr. Meighen:*

Q. Take 34—10—10?—A. I am asked to show the four  $\frac{1}{4}$  sections.

Mr. McKENZIE.—I would prefer not to be interrupted at this point

*By Mr. McKenzie:*

Q. You say this plan which you now lay on the table shows the divisions of the different lots which you had to take title for, and your instructions were to take a separate abstract of title and separate conveyance for each lot?—A. Yes.

Q. That was your instruction?—A. Yes.

Q. For each of which you were to be paid at the flat rate of \$30?—A. Yes.

*By Mr. Sharpe (Ontario):*

Q. He did not say that yesterday?—A. I beg pardon, I did, for the rural portion of the right-of-way.

*By Mr. McKenzie:*

Q. You performed that work, and you were paid that amount of money, no more and no less?—A. Not a cent less and not a cent more.

Q. Now I take it, and I haven't heard it questioned, that your firm is a firm of good standing and one of the leading firms in Manitoba; if it were not so I presume we would never have heard of it. I do not know it myself. Now if a lawyer in Manitoba were engaged in work of this kind by the day, as lawyers sometimes are, what would be a fair compensation by the day?—A. Well, I do not know that I ever knew of a case where a lawyer was retained by the day in connection with title work.

Q. But any kind of work?—A. In connection with any important work.

Q. But what would you say would be a fair price, supposing he were so engaged?—A. When a solicitor's whole time is being taken up for his client, whether it is in the city or outside the city, he would charge in Manitoba, to my knowledge, according to the amount of work and the kind of work it is, anything from \$25 to \$100 per day.

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Q. And a man, judging from my experience, would not be able to do more than one of those titles in a day, that is, search the title, get the conveyance prepared and get it signed. Is not that a fair day's work for a man? That is in the rural district?

Mr. REID (Grenville).—What was that question?

Q. I say is it not a fair day's work for a man to search a title, prepare the conveyance and get it executed, in the rural district. I am judging from the country I come from?—A. Well, from the very nature of the work it could not be done in a day, that is—

Q. But take it one with another, all these different conveyances?—A. You could not begin in the morning and, for instance, make enquiries as to the taxes, as to the seed grain liens, get your conveyance from the purchaser and get it registered; you could not do all that in a day.

Mr. MEIGHEN.—A man could not be kept busy at this work alone; it is impossible.

*By Mr. McKenzie:*

Q. Would you say, of course I suppose you would say, but I want it on record, that this \$30 flat rate, per parcel of land, is a reasonable charge?—A. I certainly say that.

Q. That is taking the whole of the lots, and one lot with another?—A. Yes.

Q. There would, of course, be some with less work and some with more work?—A. Yes, of course, and keeping in mind also the circumstances which I pointed out yesterday, that the Commissioners were anxious that the work should be taken up when we were able to get at it as expeditiously as possible. We put on an expensive man to do the work, we retained an expensive man whom we would not have retained if it had not been for this work, and we paid him \$1,500 a year.

*By Mr. Sharpe (Ontario):*

Q. Did he do all the work?—A. He did the bulk of the work in connection with the right of way.

*By Mr. Meighen:*

Q. And he did other work as well, did he?—A. I did the Kern and the Mathews business myself.

*By Mr. McKenzie:*

Q. Does this plan which you presented to the Committee show the whole area over which your work extended?—A. Yes, it shows the whole of it.

Q. Does it show all the lots for which you have made charges in your bill?—A. I think it will show every one of them. It begins on White Mouth River and goes on up to the City of St. Boniface.

Mr. McKENZIE.—I suppose the keeping of this plan would be of no advantage to the Committee?

*By Mr. Reid (Grenville):*

Q. What is the regular charge for drawing a conveyance and examining a title under the Torrens system in Manitoba. What I want to get at, you understand, is this: supposing I went into your firm and said, 'I want to have property transferred. I wish you could have the conveyance made and properly executed, and examine the Torrens title for me,' what would your charges be?—A. Well, if a man came into my office like that and tried to make a contract with me for a matter of that kind I would say to him that I would charge him what would be reasonable, and whatever the service was worth. With regard to this matter of drawing a transfer the charge for that is \$5.

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Q. Supposing it is a Torrens title, and I say to you, I want you to see there are none of these liens on the property, so that when the conveyance is registered I will feel I have a perfect title as far as the Torrens system is concerned?—A. I would charge additional for that.

Q. What would that be?—A. It depends upon the amount involved.

Q. I am supposing it is a regular ordinary case. I am not taking a case like the Kern case, but a regular, ordinary, everyday transaction.

*By Mr. Sharpe (Ontario):*

Q. What is the tariff rate?—A. There is no tariff.

*By Mr. Reid (Grenville):*

Q. What would you say would be a fair and reasonable charge for it?—A. Well, you can charge it according to the amount of work in the particular case.

Q. I suppose it would, but would there be much work when you have the Torrens title?—A. You are running off with the idea that the Torrens system dispenses altogether with the services of a lawyer?

Q. Oh, no, it does up to a certain point, but what I understand is that if you have the Torrens title, the title is perfected up to that point, if there has been no conveyance of it by the owner under the Torrens system, the only liens you would have to look after would be the seed grain liens or judgments, or something of that kind, am I right there?—A. That is right, liens, judgments, taxes, and there may be a lease.

Q. That will be in the registry office?—A. Yes.

Q. Now, covering those things I have just stated, what is charged extra for them?—A. Well, there is no tariff at all; there is no fixed charge. Our practice is to charge whatever is reasonable, or whatever is agreed upon.

*By Mr. McKenzie:*

Q. It depends upon the time it takes?—A. Certainly, and I might say that many of the difficult propositions, or what we call 'snags,' that we run up against in titles in such cases are in the Torrens system, and it has not by any means removed the usefulness of a solicitor by putting the titles under the Torrens system.

*By Mr. Meighen:*

Q. Did I understand you to say, in answer to Judge McKenzie, that you had instructions from the Commissioners to put your transfers through so as to bring out a separate certificate of title for each parcel named on that land?—A. I did not have instructions in so many words.

Q. I understood you to say yesterday you had no instructions?—A. What do you say?

Q. I understood you to say yesterday that you had no such instructions?—A. I said yesterday that I had not instructions to that effect in so many words, but here was the right of way plan showing such and such a number of parcels, and with that right of way plan before us, and before the work was commenced, an arrangement was made for a fee at so much per parcel.

Q. You made it verbally with the plan before you?—A. No, you will find it in the correspondence.

Q. That plan was before you, but not before the Commissioners?—A. Was it before the Commissioners?

Q. Yes?—A. Oh, yes, they sent us the plan.

*By Mr. Martin (Regina):*

Q. Do you know what the C.P.R. and other railways do with their titles under



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similar circumstances?—A. No, I haven't any personal knowledge; I haven't seen any of their files or acted for any other roads.

*By Mr. Sharpe (Ontario):*

Q. Were your instructions verbal or were they written?—A. Our instructions?

Q. Yes?—A. They were written.

Q. Have you a copy of your instructions with you?—A. I do not know that I have. It was simply, oh probably a dozen lines, notifying me I had been appointed their legal agent.

Q. And subsequently negotiations were entered into as to what your charges should be?—A. Yes.

Q. And you decided on a flat rate?—A. I suggested this flat rate of \$30 based on the bill for No. 14.

Q. That was on the old system?—A. Yes, the old system.

Q. Which is the most expensive, the old or the new system, for searching titles?—A. The new system is much simpler.

Q. Were there any exceptions made when you made that flat rate of \$30?—A. That rate was to apply to the right-of-way through the rural portions of the railway.

Q. Was that the subject of written negotiations, or was it verbal?—A. Written, contained in a letter from their clerk.

Q. Have you that letter?—A. I understand it is in the return, I have not examined the return. I think Mr. Atkinson is here and he can tell you.

Q. Was there any exception made about big blocks like the Kern and Mathews' property?—A. I made it perfectly clear in a letter that this flat rate applied to the right-of-way through the rural portions of the country traversed.

Q. When you submitted a bill of charges to them it amounted to about \$36 under the old system, and the most of the lots are under the new system, the Torrens land system?—A. Yes.

Q. There are a lot of members of the committee who are not lawyers, just tell us what your work was under the Torrens system?—A. With the old system of titles the purchase was not really more troublesome, nothing more complicated than under the new system.

Q. Did you have to attend the registry office or go over all the books?—A. We had to deal with the patentee or any other man.

*By Mr. McKenzie:*

Q. Was this Torrens system in force when you went into that agreement?—A. Yes. But I will say this, that even if No. 14 had been under the new system I am sure that the bill would not have varied by two or three dollars.

*By Mr. Sharpe (Ontario):*

Q. Now tell the committee just what work you had in searching the Torrens titles; you would get a certificate from the registrar, would you, or the master?—A. In the first place you would take up the plan of the right-of-way, prepare it with the agreement that the right-of-way agent had with the owner of the land; you would then order a search letter or abstract from the Lands Titles Office, as the case might be, write for seed grain liens to the Department of the Interior and to the local agents of Dominion lands, and for a tax certificate, to the treasurer of the municipality.

Q. That will be three letters?—A. Then you would upon getting replies, the abstract from the Lands Titles Office, you would communicate with whoever—

Q. Who would pay for the transfer?—A. The transfer was included in our work.

Q. Did you draw the transfer in all cases?—A. Yes.

Q. Did you charge the vendor for transferring it?—A. No, I did not.

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Q. You never got paid by the vendor except in that one case you mentioned that you got \$5?—A. That was not a transfer.

Q. What was that for?—A. Putting through a Torrens application.

Q. After you wrote these three letters what else would you do?—A. Then you would prepare the transfer and either attend personally or communicate with the owner.

Q. A letter would bring him in, that would be another letter?—A. And if he came in you would get the transfer signed, take the transfer to the Lands Titles Office and register it, and make your inquiry as to the taxes and make sure there were no liens.

Q. You did that by letter?—A. Yes, but you would get a letter back and you would have to make sure of it.

Q. But your letter would assure you of that, so that there would be four letters, the transfer, and attending to register. Was there any other work in connection with it?—A. Oh, yes, there would be in different cases.

Q. What else would there be?—A. Rather than giving it verbally in detail like this in a general hypothetical case, I have my docket here where the record of the work that was done in connection with each parcel is to be found. I am perfectly willing to produce that here for the inspection of any member of the Committee. The work is all set out in detail there.

Q. Who first suggested—

Mr. CARVELL.—Let him finish.

A. Let me finish, please. The work is all set out in detail there, and while there is really no important reason for keeping it in detail, because the flat rate had been agreed upon, we would not expect to be called upon to have our bills taxed, or anything like that, yet a detail is kept pretty completely of them, but in running through the docket I can see a number of cases where the details were left out.

Q. Who suggested a supplementary bill in preference to the Kern-Mathews transaction, which had been previously charged in the bill for 1906, who suggested that?—A. The matter of what should be allowed in connection with that bill had been referred to the Solicitor General.

Q. Who suggested that you put in a supplementary bill?—A. I am coming to that. That was referred to the Solicitor General, and I attended before the Solicitor General personally.

Q. Here in Ottawa?—A. Yes, with the law clerk of the commissioners.

Q. Who is he?—A. Mr. Atkinson, and with Mr. Young, one of the Commissioners; and the services we had rendered were explained to the Solicitor General and the bill was considered by him, and he expressed the opinion that \$90, which it was proposed to be allowed for those services by the law clerk, was entirely inadequate.

Q. Who was the Solicitor General then?—A. Mr. Bureau. He thought that the fee I claimed of \$600 was too high.

Q. All this came up before the Solicitor General after you had rendered the bill. Who suggested that you should render the supplementary bill?—A. I simply rendered a short bill making a lump charge.

Q. But who suggested that you do that?—A. That was when I agreed to take the \$500.

Q. This was all afterwards, after the bill was rendered. Who suggested that you send in a supplementary bill?—A. When I agreed to take the \$500. I myself agreed to accept that, and I put in a supplementary bill.

Q. Answer my question, who suggested that?—A. I do not know by whom it was suggested, probably by myself.

Q. Was it suggested by another person? You are telling us what happened after the bill was rendered.

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Mr. CARVELL.—I object, my hon. friend is not treating the witness fairly. He has answered the question.

*By Mr. Sharpe (Ontario):*

Q. Who suggested it, the sending in of this subsequent bill?

Mr. CARVELL.—Do not answer that question, witness; we will have this cleared up now. Mr. Chairman, this witness is an intelligent witness; he is telling us as nearly as he can what the facts are, but because he is not satisfied with his answer, my hon. friend is interrupting him, and not letting him give us the information. It is no use my hon. friend doing so, because we will only bring it out afterwards if he persists in interrupting the witness. The witness should be treated fairly.

*By Mr. Sharpe (Ontario):*

Q. All I asked was who suggested the rendering of the second bill?—A. Now, I cannot tell you who suggested it, but I can tell you——

Q. Was it suggested by somebody from outside your office?—A. Well, I said a moment ago I could not tell you who suggested it, but I can tell you I rendered it.

Q. Was it suggested by any person outside your office, that is a simple question?—A. If I do not know who suggested it, I do not know whether it was suggested by anybody inside or outside of the office.

Q. You do not know whether it was suggested by any person inside the office or not?—A. I do not know who suggested it, but it was agreed——

Q. Was it suggested by some person outside your office?—A. I can't tell you.

Q. Who is the purchasing agent of the Transcontinental Railway Commission?—A. Mr. T. L. Morton, who was here before the committee last year.

Q. Did he negotiate the purchase of the Kern-Mathews land in Manitoba?—A. He was present throughout the negotiations.

Q. Who conducted the negotiations?—A. I would say that Mr. Young conducted them with the assistance of myself as solicitor and Mr. Morton as purchasing agent.

Q. Who was acting as counsel for Mr. Young, were you?—A. I was acting as solicitor for the Commissioners.

Q. Had you been acting as the solicitor for Kern and Mathews in the purchase of these properties?—A. I had never seen Kern or Mathews until the first interview, when Mr. Young and Mr. Morton were present, and I had never acted for them.

Q. Had your firm acted for them?—A. No.

Q. You did not act for them in getting the option?—A. When they bought?

Q. Yes?—A. Oh, no, I had never seen them before nor knew of them.

Q. Did you know the price that Kern and Mathews had paid for this land?—A. I know nothing about it.

Q. Did you think, as counsel for the Commissioners, it was your duty to ascertain what had been paid for it?—A. No, I did not consider that any part of my duty.

Q. What part did you take in the negotiations? Did you secure any reduction in the price from the parties?—A. That is pretty hard telling; I had a hand in hammering them down.

Q. What price did they first ask for these properties?—A. I cannot tell you that now, but it was very much in excess of the amount that we eventually settled upon.

Q. You might tell us how much more they asked?—A. Well, it was very, very much in excess of what we paid.

Mr. CARVELL.—You will find all that in the records of this committee last year.

*By Mr. Sharpe (Ontario):*

Q. Do you know how much they paid for this land?—A. No, I do not.

Q. Do you know how much per acre the Commissioners paid for that land?—A. I cannot recollect that now, different prices for different parcels.



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Q. You say that through your efforts they reduced the price to the Commissioners?—A. There are the results of the negotiations which were carried on by Mr. Young, with my assistance as Commissioner, and Mr. Morton's assistance also.

*By Mr. Reid (Grenville):*

Q. I suppose Mr. Young was the practical man, who did the whole business?—A. That is something I would not like to answer.

*By Mr. Sharpe:*

Q. Do I understand that the purchase money was sent to your firm and that you paid out the different moneys to the people?—A. Yes.

Q. To whom did you pay the different moneys?—A. Either to Mr. Kern's solicitors or to Mr. Kern himself.

Q. Who were they?—A. Messrs. Robinson and Hull.

Q. Were the moneys paid direct to them?—A. I cannot say as to that.

Q. Were they paid to different parties or given direct to Kern and Mathews?—A. Either to Kern personally, in his purchase, or to Kern's solicitors; I am inclined to think in a transaction of that kind it would be better business to make the cheque payable to the client himself, although it is the practice in Winnipeg without any order from the client to make the cheque payable to the solicitor.

Q. You think this practice was carried out in these cases?—A. In a case of this magnitude I rather think I would make it payable to Kern himself.

Q. You do not recollect, as a matter of fact?—A. I am almost certain it was to Kern himself.

Q. What about Mathews? Where did he appear in the transaction?—A. The same way, he had for his solicitors Munro, McKenzie and McQueen.

Q. Apart from being there as solicitor you had no interest in this transaction?—A. Absolutely none.

Q. Directly or indirectly?—A. Absolutely none.

Q. Nor your firm?—A. Certainly not.

Q. Did you regulate your bill according to the size of the profits?—A. No, but I tell you what I did do; in determining the amount that I should charge the Commissioners I did what solicitors often do, I said to the solicitor on the other side who knew the business I had done, 'I say, Hull, what will be a fair charge for me to make my clients in connection with this matter?' And Mr. Hull suggested in an offhand way what he thought the transaction ought to stand, I cannot give exactly the figures now, but it was substantially the figures I have mentioned.

Q. And you were aware at that time that they were making a profit of over \$100,000?—A. I did not know that.

*By Mr. Meighen:*

Q. Now with regard to this taxing matter, I believe you were employed by others as a taxing master on one occasion, Mr. Johnson?—A. Do you refer to the Hubbard case?

Q. To the Hubbard bill, yes?—A. It was referred to me.

Q. The Auditor General's report says that you taxed \$74 off a bill of some \$200, is that correct?—A. Well, Mr. Hubbard was solicitor for the municipality.

Mr. SCHELL.—He did not observe the golden rule that time.

*By Mr. Meighen:*

Q. I do not say that at all, it may have been a fair taxation?—A. I do not remember the particulars of that, the subject of Mr. Hubbard's bill was referred to me, I know that.

Q. You are also aware, Mr. Johnson, that in the 1906 bill the taxing master taxed over one half of your bill?—A. He taxed a very large amount.



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Q. Will you admit from this (producing bill) that he taxed off over one-half. It was \$1,347 and it remained at \$562?—A. I can give it you here.

Q. Is this the 1906 bill?—A. Yes, that is December 31, 1906.

Q. Here is the total, \$1,317.40, taxed off \$754.50 that is over one-half of the bill in 1906?—A. Yes.

Q. But the 1907 bill was rendered at \$4,768?—A. You are now getting all mixed up, Mr. Meighen.

Q. I beg pardon, here is the bill?—A. Because in this bill, which was rendered at \$1,317, was the \$600 Kern item.

Q. Which was taxed down?—A. Of which \$510 was cut off.

Q. Yes, I am aware of that?—A. Well, then——

Q. But that was allowed in the next bill, in the 1908 bill?—A. That amount, less \$100, was allowed in 1908.

*By Mr. Reid (Grenville):*

Q. Who undertook to do that?

Mr. MEIGHEN.—Mr. Bureau, the Solicitor General.

*By Mr. Meighen:*

Q. So that you were allowed in 1907 account the great bulk of what was taxed off in 1906, and very little, practically none was taxed off the 1907 bill, less than one per cent?—A. The reason for that was this, that the fee of \$500 on which we settled in the Kern matter was included in 1907-8, that could not be taxed off because that was a matter of agreement. The balance of the 1907-8 bill was largely of the flat rate at \$30, so that there could not be anything taxed off that.

Q. Excuse me, there was \$690 miscellaneous?—A. Well, the explanation for that is that the charges were so reasonable there was no occasion to tax them off.

Q. Would you give as an explanation of this the fact that the 1906 bill would be in the Auditor General's report which would come before this Committee prior to the election, and the 1907-8 bill would not come until after the election?—A. Absolutely none, I repudiate the suggestion.

Q. You have nothing to do with it, but I say the Transcontinental Railway Commission officers might be influenced by that?—A. It is an insinuation which you are not justified in making, and it is certainly not proper.

Q. They cut off over 55 per cent, one year and less than one per cent the next year.

Mr. CARVELL.—What has that got to do with this question. You can make that argument up in Manitoba, but nobody cares about it down here.

Mr. MEIGHEN.—Why was it allowed the next year and not in the previous year?

*By Mr. Reid (Grenville):*

Q. Did you personally, or any member of your firm, receive any fees or commissions for any work or anything else in connection with this Kern and Mathews transaction?—A. Well, now, that question is rather an insult.

Q. I do not see where it is an insult?—A. It is, all right, and it is one that I have a perfect right to refuse to answer.

Q. Oh, I don't think so?—A. Because it has got nothing to do with the matter in connection with which I am subpoenaed here, nothing whatever. But I will not exercise that right because I am absolutely free from having received or been interested in any manner, shape or form, in the direction suggested by this question, and I swear it.

*By Mr. Carvell:*

Q. I have two or three questions to ask. You say that you rendered a bill for parcel No. 14 in detail?—A. Yes.

Q. Have you got the details of that bill with you?—A. Yes.

Q. I would like you to produce it.

Witness produces docket.

Mr. MEIGHEN.—That is what I would like to see.

Mr. CARVELL.—You seem to avoid seeing it. The witness laid it on the table yesterday and nobody wanted to see it. The witness brought a plan also but nobody wanted that either. We will show you the whole thing.

Mr. REID (Grenville).—I asked to see that account.

Mr. CARVELL.—He told you you were welcome to it.

Q. You say that you have the details of that bill?—A. Yes. It is on page 73 of my docket and carried forward to page 170.

Q. Are you willing to read that docket here for the information of any member of the committee?—A. Yes, but I would like to take it away before I return.

Q. Before you return to Manitoba?—A. Yes. I brought it here for the inspection of members of the committee.

Q. Then it is here for their inspection. Without going into details just count up the number of charges that are made in that one bill.

Mr. SHARPE (North Ontario).—That has nothing to do with it, that is under the old system.

Mr. CARVELL.—I have ordinary intelligence and I am aware he has told this committee half a dozen times it is under the old system. If you will be patient we will give you the same details of the Torrens system.

The WITNESS.—There are thirty-one items.

*By Mr. Carvell:*

Q. And they amount to how much?—A. I think it is \$36 or \$37.

Q. Have you the details in your book upon which you passed title for the Commission?—A. Yes, but I have no details in connection with the Kern and Mathews matter.

Q. Leaving out the Kern and Mathews transaction you have details of the rest?—A. Yes.

Q. Have you gone over and codified them in order to find out what they amount to as a flat rate?—A. I had a schedule made up by my bookkeeper.

Q. What do you find is the highest charge in the schedule of detail?—A. I think the highest bill is \$64, No. 96.

Q. Will you turn to that, please?—A. That number is not right. 9 B is the proper number of it.

Q. Who is the person from whom the land was purchased?—A. Wincenty Kotrowski.

Q. You have the details of that bill, have you?—A. Yes.

Q. Was that an old title or a Torrens?—A. That was an old title.

Q. Will you give me the smallest bill you have?—A. I think the smallest is parcel No. 125, also on parcel No. 124. They are both \$13 but the details are not nearly complete in those.

Q. You think then there was some work done that was not charged for in the details of the book?—A. I know there was, Mr. Carvell.

Q. However, taking the book as it stands, it shows a range of charges from \$13 up to \$64?—A. Yes.

Q. Have you added up all these totals and struck an average as the book shows at the present time?—A. Yes.

Q. What do you find it amount to?—A. One hundred and twenty-two parcels amount to an average of \$31.72.

Q. And that is according to the details as set forth in your book?—A. Yes.

Q. Which you are willing to read here for examination?—A. Yes.

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Q. The average you say is \$31?—A. \$31.72.

*By Mr. Sharpe (Ontario):*

Q. How many bills were there?—A. One hundred and twenty-two.

*By Mr. Carvell:*

Q. And that does not include the Kern & Matthews title?—A. That is practically the whole of the work.

Q. Will you tell the way these items were kept?—A. The man who was doing the work was a salaried man, and he kept details of the work when he was doing it to show its character and what he did.

*By Mr. Sharpe (North Ontario):*

Q. How long did it take you to complete these 122 titles?—A. It ranged over a little more than 2 years.

Q. It would not take one man that long?—A. During the early portion of the time, the easy titles would be going through. The ones that there was the least trouble with would go through the easiest and quickest and then you got hung up on one thing here and another thing there so that the work dragged out towards the end.

*By Mr. Meighen:*

Q. Would you not admit that one man could be kept busy and do the whole thing in less than a month?—A. That is nonsense, Mr. Meighen.

Q. If he could be kept busy at it would you say on your oath, Mr. Johnson, that there is altogether more than one month's work?—A. Now, Mr. Meighen, that question is so absurd.

*By Mr. Carvell:*

Q. Let us proceed with the examination. Mr. Johnson was about to give us more detail.

*By Mr. Blain:*

Q. Would you read one of the bills. Take No. 34—10—10?—A. Well, No. 14 is the transaction that the bill was based on.

*By Mr. Meighen:*

Q. That is the old system of title?—A. The old system of title. I will read the list of charged:—

Ins. to examine title . . . . .	\$4.00
Perusing agreement for same . . . . .	1.00

*By Mr. Sharpe (North Ontario):*

Do you charge for instructions there?—A. If you are rendering a bill, for instance in mortgage sale proceedings—

Mr. CARVELL.—The witness is starting out to give details and should be allowed to continue.

The WITNESS.—I will say here, gentlemen, that it may be \$3.00 was the proper item to charge there but I find that in a large number of the parcels here—which you will see when you peruse the docket—the amount for instructions is blank; simply left out altogether because it was a matter of no consequence nothing depending upon it whatever. Now I will give the bill in detail from the beginning.

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Nov. 15.	Ins. to examine title.. . . .	\$4 00	
15.	Perusing agreement for same.. . . .	1 00	
15.	Attg. to bespeak abstracts.. . . .	1 00	
15.	Drg. spe. tax cert.. . . .	0 50	
15.	Tr. to Treas. encl. & pa.. . . .	0 50	27
17.	Attg. for absts. when ready & pd.. . . .	1 00	55
19.	Perusing abstract.. . . .	1 00	
	Ltr. to Sec. Dept. Interior Seed Gr. Liens, &c.. . . .	0 50	
	Ltr. to Dom. Lands Agent, Wpg., <i>re do</i> .. . . .	0 50	02
	To paid his fee.. . . .		25
	" attg. verify abstract, one document perused.. . . .	1 00	25
	" Paid search.. . . .		25
26.	To attg. upon W. Asyl. Swartz respecting the registration of Crown Grant to him the Mtge. to Mr. Archibald and taxes for 1906.. . . .	2 00	
27.	To drawing deep in duplicate owner to you.. . . .	5 00	
	To declaration of ownership and possession.. . . .	1 00	
	Authority to pay moneys.. . . .	0 50	
26.	To perusing tax certificate.. . . .	0 50	
27.	To perusing reply from Dom. Land Agent <i>re seed grain liens</i> . . . . .	0 50	
29.	Attending upon Archibald Machray & Sharp to obtain P. D. M. Swartz to Archibald and gave undertaking to pay \$100.. . . .	1 00	
	Perusing discharge.. . . .	1 00	
29.	Attg. L. T. O. to make final search perusing.. . . .	1 00	
	Crown Grant and order Cont. abst. & G. R. opt.. . . .		4 65
30.	Attg. L. T. O. for continued abstract & Gen. Reg. Cert.. . . .	1 00	
	Ltr. secy. of Commissioners with all title deeds.. . . .	1 00	
	Cert. of title and statement as to payment purchase.. . . .	1 00	02
Dec. 1.	To ltr. to Mr. Morton for ch. to close.. . . .	0 50	
3.	Having rec'd ck. for \$302.50 first of May to Ltr. Archibald M. & T. enclosing ck. for \$100 for P. D. M. to ltr. to Treasr Whitemouth.. . . .	0 50	02
	to correct tax certificate.. . . .	0 50	02
10.	To attg. at Dom. Express for money orders (5) to pay taxes to order.. . . .	1 00	
	To ltr. J. H. Skeeles Treas. Whitemouth with M. O. for taxes.. . . .	0 50	02
	To ltr. with M. O.'s for balance purchase price.. . . .	0 50	02
11.	To peruse ltr. from Dept. of Inter. <i>re Seed Gr. Liens</i> .. . . .	0 50	
14.	To ltr. written <i>re fund of taxes</i> to Wasyl Swartz and duplicate receipt for taxes, 1906.. . . .	0 50	02
19.	Made up bill in this matter and forwarded it to Mr. C. A. Young, one of the Commissioners; bill made out at \$43.95.. . . .		
	Ltr. to W. Swartz in repl ltr. to Secy. of Coms. enclosing all title deeds and papers, with cert. of title; Fee on title	5 00	06
Flat rate.. . . .		\$30 00	\$6 45

By Mr. Meighen:

Q. In that bill for No. 14, and old system title, what you gave as \$36 and some odd cents includes your disbursements?—A. No.



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Q. That is the way I take it?—A. No, Mr. Meighen, you are off the track.

Q. I figured it up?—A. You took the figures from here, did you (indicating docket).

Q. Yes, \$30 is the whole of the charges?—A. The figure \$30 at the bottom is not the addition, that represents the flat rate, it is not the addition of the fee column. When the matter was closed up at \$30 flat rate the figure \$30 was placed there and \$6.45 for disbursements.

*By Mr. Boyce:*

Q. Why did you keep the details when you had a flat rate for each parcel?

Mr. CARVELL.—He has told you two or three times.

Mr. BOYCE.—I was not asking you; I want the witness to answer the question.

Mr. LENNOX.—The witness was going to give us another example.

*By Mr. Carvell:*

Q. That is right. Now, witness, take one of the Torrens titles, that is fair, I think.

*By Mr. Blain:*

Q. Take 34-10-10, which was a subject of discussion?—A. 34-10-10?

*By Mr. Lennox:*

Q. Before you begin to read it, are there dates to those items?—A. Oh, yes.

Q. You might give us the dates?—A. In this instance the entries begin on the 7th of December, 1906, and the last entry is made on the 31st December, 1907.

*By Mr. Meighen:*

Q. Which quarter-section is this?—A. S.W. 34-10-10 E 1906.

Dec. 7.—Instructions (same thing)... ..\$ 4 00

Dept. Prov. Lands Commr. having applied  
for description of right-of-way across  
land, Ins. to prepare description of  
right-of-way..... 2 00

11.—Letter with, to Dept. Prov. Lands Commr. 0 50 0 02

1907.

Dec. 18.—Reed. transfer, perusing.... 2 00

Ltr. with receipts.... 0 50 0 02

Same entry as in 29a.... 2 50 0 02

(I do not know what these entries were; of  
course these memoranda are not very  
intelligible).

20.—Attg. to reg. transfer & pd.. 1 00 3 00

20.—Same charge as No. 30.... 1 00 3 00

30.—Attg. for cert. of title.... 1 00 ....

Perusing.... 2 00 ....

Same entry in 30a.. 3 00 ....

31.—Fee passing and reporting title.. 5 00 ....

Ltr. with all papers to right-of-way agent. 0 50 ....

Attg. him with..... 0 50 ....

Ltr. to Mr. Atkinson advg.... 0 50 0 02

Same entry in 30a.... 6 50 0 02

*By Mr. Lennox:*

Q. What does that sum up?—A. That sums up \$33.

Q. In fees?—A. In fees, yes.

Q. What are your disbursements?—A. The disbursements are \$3.60.

Q. Only \$3.60?—A. Only \$3.60, yes.

Q. Can you refer to those cross-entries which you mentioned?—A. I do not know where to get 29a or 30a in this docket, I will have to find those entries.

Q. Do those cross-entries convey any meaning particularly to you?—A. I do not know on what page of the locket the parcels which he numbered as 29a or 30a are kept, I would have to get them located.

*By Mr. Blain:*

Q. What is the difference in the total between those two parcels?—A. About \$3.

*By Mr. Carvell:*

Q. Now, after that reference to the book, we will leave that for my hon. friends to work out?—A. The man who did this work is not at the office now, and before I came away these 'rings' in red ink that appear on this particular page, they appear nowhere else in the book, were noticed by me, and we tried to figure out what they meant, but could not do it.

Q. Now, I want to ask you in reference to the lots that were in the name of the government of Manitoba. You told me that in your judgment about one-third of those parcels were under agreements for sale. Will you tell me exactly what you will have to do, that is in a hypothetical case, in passing title for property which appeared to be in the name of the government of Manitoba?—A. When the search letter would show any particular parcel was in the name of the government of Manitoba we would go to the Provincial Lands Commissioner who would look up his records, and if he found that the parcel had been sold to anybody we would have to look up that person and get a quit claim deed from him in favour of the commissioner, we would then register the quit claim deed with the Provincial Lands Commissioner for which a registration fee of \$2.50 is charged, and thereupon the province would convey the land direct to the commissioners just as if it had been really provincial lands as it purported to be on the abstract.

Q. Did you get a title from the occupant as well as a quit claim back to the province of Manitoba?—A. Yes.

Q. Giving them the right to convey to you?—A. The quit claim would throw it back again to the province of Manitoba, or would be taken by the commissioners as authority to the government to convey the property described therein to the commissioners.

Q. Would this cloud upon the title of the province appear in the Land Titles office?—A. Oh, no.

Q. That you would specially get at the government office?—A. Oh, certainly.

Q. And you say that about one-third of these titles came under that description?—A. Something like that.

Q. Was there any special reason why you had a large number of consultations with different people about those titles, more than would appear in an ordinary transaction in passing title in the province of Manitoba?—A. Well, before we really get started at the right-of-way work, the railway having been through there, the owners, usually farmers living outside of Winnipeg, and all trading in Winnipeg, would come to us about every time they came to town wanting to know when they would get their money, and we were unable to give them their money because the plan required to comply with the provisions of the Real Property Act was not ready.

Q. Just explain what took place regarding that plan?—A. Well, the engineers made a plan first in strict compliance with the provisions of the Railway Act of the Dominion of Canada. That plan was registered in the Winnipeg Lands Titles office but it did not comply with the provisions of the Real Property Act of Manitoba and a long drawn out dispute arose between the engineering department and the—

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Mr. MEIGHEN.—Just excuse me. I understand you are endeavouring to show there was extra work and that is what Mr. Johnson is relating.

Mr. CARVELL.—Yes.

*By Mr. Meighen:*

Q. Did you not charge for everything you have related in your special bill of \$600?—A. We charged for the work in connection with the plan.

Q. Yes?—A. But there was no track kept of the different interviews with the different men.

Mr. MEIGHEN. I think so.

Mr. CARVELL.—I would like to go on with the examination. Mr. Meighen can cross-examine the witness afterwards if he wants to.

Mr. MEIGHEN.—I will cross-examine him.

*By Mr. Carvell:*

Q. For how long a time did this dispute continue?—A. I should say anywhere from 6 to 12 months. No, the dispute was not going on that long.

Q. The difficulty we will say as to having the plan properly filed?—A. Yes.

Q. Now in this interim of 6 or 12 months did you have frequent conversations with claimants, the farmers along the right-of-way, over this question of money?—A. Yes, rather.

Q. Did you have many such conversations?—A. Yes, and their wives used to come in, everybody used to come in and worry us about the right-of-way. It was government business which was being transacted and there was a great amount of dissatisfaction. We had to smooth them down as best we could.

Q. This took all your time?—A. Why, certainly.

Q. And your time was your stock in trade in an attorney's office in Manitoba?—A. It is with us in Manitoba, certainly.

Q. Had any of this work been performed before you made this agreement as to a flat rate of \$30?—A. Yes, it had been performed before, because the flat rate of \$30 I think was not arranged. Yes, it was, that flat rate was arranged before the plan was eventually completed.

Q. But anyway it was arranged in the interim between the two plans?—A. The flat rate?

Q. Yes?—A. Yes.

Q. I want to put a few questions as to the plan. You told us yesterday and also to-day that the different parcels were numbered on this plan, is that true?—A. That is correct.

Q. I want to know what is the unit of the number, unless in very small cases, as contained in this plan?—A. A quarter section of land.

Q. A quarter section of land is a unit?

Mr. REID (Grenville).—Is that 160 acres?

Mr. CARVELL.—A quarter section is 160 acres.

Q. Are there any instances where the average was less than 160 acres?—A. Yes, there was a place called Dugald where an agricultural society owned a small parcel of a quarter section which it went through. The blacksmith there owned another parcel of the same quarter section. Those were, of course, different parts of different titles.

Q. Is there any instance where a parcel comprised more than a  $\frac{1}{4}$  section?—A. No.

Mr. MEIGHEN.—You do not mean to say that you have given me instances where it is less.

Mr. CARVELL.—He has given one or two instances.

Mr. MEIGHEN.—But there are over a dozen.

Mr. CARVELL.—I am going to file the plan, I do not want to take up too much time going over this.

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Q. You say there are instances where a parcel consists of less than a  $\frac{1}{4}$  section—A. Yes, there would be.

Q. Are there any instances where a parcel consists of more than a  $\frac{1}{4}$  section?—A. No, none whatever.

Q. My honourable friend asked you yesterday if you did not make two charges for conveying the same parcel of land and that would be in connection with the Konrad Manz property. What do you say to that?—A. I offered yesterday an explanation from my recollection.

Q. Yes?—A. And I obtained it since then at the office of the Commissioners of the Transcontinental railway and consulted the records and the plans there.

Q. What did you find?—A. I found that in the S.E.  $\frac{1}{4}$  of 3-11-5 and East the ordinary 100 feet in width of right-of-way was first acquired from Konrad Manz.

Q. Yes, what then?—A. That parcel according to my numbering was No. 79, according to the numbering of the engineers it was 12. The engineers for some purpose subsequently prepared a plan of an additional right-of-way through that same  $\frac{1}{4}$  section 100 feet in width, about half way through the same  $\frac{1}{4}$  section, and a plan was made showing that, or the property was described by metes and bounds, I am not sure which. Anyway the additional hundred feet of right-of-way were required. But in the interval of acquiring the first right-of-way from Konrad Manz he had conveyed the  $\frac{1}{4}$  section to Adam Cairns, consequently the latter was the man we had to deal with in the second or additional right-of-way and not Konrad Manz. It thus became a different parcel and the same work had to be gone through in connection with the first right-of-way through that  $\frac{1}{4}$  section.

Q. Then there were two titles of land in this same  $\frac{1}{4}$  section, one from Konrad Manz and one from Adam Cairns?—A. Yes, and there was no duplication of charges.

Q. No duplication of charges?—A. No.

Q. Although it constituted two parcels according to the contract?—A. Yes. It was very natural for Mr. Meighen to assume, until the matter was explained, that there had been a duplication.

Q. There was a different description of different parts of land?—A. A different part of the same  $\frac{1}{4}$  section subsequently acquired from the same owner.

Q. And you would say that it was only natural that Mr. Meighen should assume there was a duplication of the charges?—A. Yes, I think it is perfectly reasonable that a man should have so assumed.

Q. That is the explanation and it is shown on this plan.

Mr. CARVELL.—Now, Mr. Chairman, I wish to file this plan. The committee can do whatever they like with it, but I want it left here for examination.

Mr. REID (Grenville).—And also this letter, I want this letter put in, that is a copy of the letter written by Mr. Young. Mr. Johnson can read it.

A. (Reads):

'Dear Johnson,—Our law clerk showed me your bill for work done up there which included an item of \$600 for the transfer of the Kern property. I assured him it was a mistake, that you never would send in a bill of that kind, and I understand he is writing you in connection with the matter.

I am,

Yours very truly,

(Sgd.) C. A. YOUNG.'

Mr. Young was doing his duty in writing that.

*By Mr. McKenzie:*

Q. Was there a reply to that?—A. Indeed there was.

Q. There is no use putting in a solitary lone letter without any explanation of it, the whole group of letters should be included.—A. There does not appear to be on this file a copy of any reply of mine to Mr. Young. But the matter of the fees was



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one that I was not going to argue with Mr. Young, I took it up with the law clerk. He also wrote to me at the same time, and I see a copy of my letter to him of January 26, 1907. That is about a week subsequent to Mr. Young's letter to me.

Mr. McKENZIE.—I should suggest that Mr. Meighen and the witness agree as to the letters that are to be filed.

Mr. CARVELL.—I do not want to agree to that, you had better leave that question open. I might want, after further examination, to put in letters that Mr. Meighen might object to.

*By Mr. Carvell:*

Q. Now I want just to take up the Kern-Mathews matter for a short time. You have explained to this committee that you made an additional charge on account of the large amount involved?—A. Yes.

Q. I am not going over that part of it again. You have explained that the first gentleman you spoke of about it was Mr. Kern's solicitor?—A. I do not know whether it came in that order.

Q. Anyway you have explained that you did speak to him about it?—A. Yes.

Q. And he suggested the amount, about what you charged?—A. \$500 or \$600.

Q. Whom did you go to next?

Mr. MEIGHEN.—If you are going to give all Mr. Johnson's conversation all over Winnipeg, you will be here until next month. I press my objection to a decision, if that is evidence, all right, I will produce other evidence of the same kind.

Mr. CARVELL.—I shall press the question.

*By Mr. Carvell:*

Q. Did you go to the man, I do not know the exact term, what do you call the taxing officer of Manitoba?—A. There is the chief taxing officer.

Q. Who is he?—A. Mr. Walker.

Q. Did you go to him over this matter?—A. Yes, I went to him.

Q. That is the gentleman sitting here in the front seat?—A. Yes.

Q. Who has been brought here as a witness by Mr. Meighen?—A. I do not know who asked him to come here.

Q. I want you to relate the conversation you had with Mr. Walker?

Mr. MEIGHEN.—I object to the conversation being given as evidence.

Debate followed.

The CHAIRMAN.—Does the Committee want a ruling on this? If there is nothing more to be said I will give my ruling; I rule we are here to get information, all the facts that we possibly can, and I think there can be no objection to the question that has been asked.

Mr. REID (Grenville).—This is a very strange proceeding. It is the first time I ever heard a decision given on a point of order before we had a chance to argue the point. I want to give my reason why this conversation should not be given in evidence.

Mr. McKENZIE.—It is not permissible to discuss a ruling which has been already given.

Mr. CARVELL.—You can appeal if you want to from the ruling of the Chair. Do you appeal from the ruling?

Mr. REID.—I do, on the grounds that the Chairman showed partiality by not giving us an opportunity of arguing in support of our objection.

Mr. CARVELL.—Take it back.

Mr. REID (Grenville).—I don't take it back.

The CHAIRMAN.—I do not ask him to take it back. I am willing to hear his explanation on the point that he wishes to raise.

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Mr. REID (Grenville).—You gave a decision, Mr. Chairman, after we asked to be heard on the case.

Mr. SHARPE (North Ontario).—Did you not hear Mr. Meighen and Dr. Reid asking to be allowed to argue the question? Then why give your decision so hurriedly.

The CHAIRMAN.—I thought there was nothing more to be said, and having been asked for a ruling, I gave it.

Mr. CARVELL.—The honourable gentlemen had better appeal from the decision.

Mr. REID (Grenville).—I contend that when a point is raised for decision we should have the right to argue it before the Chairman decides. In this particular case the right of argument was denied to us by the present Chairman. Mr. Meighen wanted to speak on the point and so did I. For that reason I appeal against the decision rendered by the Chairman on account of the injustice with which we have been treated.

The CHAIRMAN.—I must object to that. I did not deny the right of argument, and it is not fair to say that I did. As I stated a few minutes ago, I was quite prepared to hear your explanation on any point that has been raised. So far as I am concerned, as Chairman of this Committee, I am still willing to do so.

Mr. REID (Grenville).—That is no good when the decision has been given.

Mr. LENNOX.—The Chairman did announce his decision under the impression, as he says, that no one else wanted to speak. Now he is prepared to hear anyone on the matter, and from that I infer that if he can be convinced his decision ought to be reversed, he will reverse it; I think that is a fair understanding.

Mr. REID (Grenville).—So far as I am concerned, I am not going to ask the Chairman to reverse his decision. What I wanted to suggest is this: If Mr. Walker is to be examined by Mr. Meighen and asked any question that would refer to a conversation between Mr. Walker and Mr. Johnson, the latter could be recalled afterwards and re-examined.

Mr. CARVELL.—But Mr. Johnson wants to get home.

Mr. REID (Grenville).—As I understand, we want to complete this examination, but I do not think it is quite proper to introduce a conversation as to the way in which this charge was made by Mr. Johnson.

Mr. MCKENZIE.—What is the good of getting down to strict rules of evidence on these points? Several matters have been admitted here that are really not evidence at all. What is the objection to admitting this conversation when the man with whom the conversation was had is present and can be asked whether the witness is telling the truth or not. Neither the books nor the plans that have been produced here are really evidence, although they have been admitted as such.

Mr. LENNOX.—Aside from any technicality, I think the plan is evidence and the books also.

Mr. MCKENZIE.—The books are not evidence nor the plans either.

Mr. LENNOX.—The books certainly are evidence, because we are examining the bona fides of these accounts and the entries made in the books at the time. Therefore, they are proper to be considered by the committee. Going back to the point we started from, as to the advisability of accepting statements from this witness as to conversations he brought about himself, I submit to you that it is a most dangerous kind of practice to follow, and not one which should be followed even in this committee. I apprehend, in this particular case, having regard to the fact that Mr. Walker is here on this occasion, it may not result in very much inconvenience, but it would be dangerous to establish the principle that a witness who desired to put forward a certain kind of proposition and advance certain arguments in support thereof, should be allowed to say, "I had conversations with a certain person, and he said so and so to me and upon that I placed certain figures in my bill." In the first place, we do not know anything as to the representations that were placed before the person referred to in order to obtain his judgment.

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Mr. CARVELL.—I am going to ask the witness to give the conversation.

Mr. LENNOX.—That will be a dangerous principle to introduce, and you, Mr. Chairman, will not be acting with your usual judgment if you allow such evidence to be presented.

Mr. CARVELL.—We are trying to arrive at whether or not this was a reasonable bill. The witness has given us the details of that bill and states that he went to the gentleman who happens to be a taxing officer in the province of Manitoba and had a conversation with him in regard to this bill. I am trying to give that conversation in order to see whether Mr. Johnson's bill was a reasonable one under the circumstances.

The CHAIRMAN.—I regard this as a proper question to be asked for the information of the committee.

*By Mr. Carvell:*

Q. Now what is the answer?—A. I told Mr. Walker what the transaction was, and in general terms asked him what in his judgment, his offhand judgment, would be a reasonable fee to charge the commissioners.

Q. What was his answer?—A. His answer was in general terms that four or five hundred, or five or six hundred dollars would be a reasonable amount. It was in general terms. Whether Mr. Walker said four or five, or five or six, I am not quite sure, because in my mind I confuse my conversation with Mr. Walker with a conversation with the Master whose office was across the hall and with whom I had a conversation at the same time about the same matter.

Q. And you also had a conversation with the partner of Mr. Haggart, who is a member of this House?—A. Yes.

Mr. CARVELL.—It is one o'clock and we will continue the examination when we meet again.

Committee adjourned to meet tomorrow morning at 11 o'clock.

COMMITTEE ROOM No. 32,  
HOUSE OF COMMONS,  
FRIDAY, April 30, 1909.

The Select Standing Committee on Public Accounts met at eleven o'clock a.m., the Chairman, Mr. A. H. Clarke, presiding.

The Committee resumed consideration of a payment of \$4,721.32 to Rothwell, Johnson & Stubbs, W—349, Report Auditor General, 1908.

Mr. GEOFFREY H. WALKER, called, sworn, and examined.

*By Mr. Meighen:*

Q. You, I believe, hold the position of Chief Taxing Master for the Province of Manitoba, in addition to other offices?—A. Yes.

Q. And you are originally a barrister by profession?—A. I am.

Q. You know the nature of a Manitoba Torrens title?—A. Yes.

Q. And also a Manitoba old system title?—A. Yes.

Q. And I believe you have, with what care you could in the time, gone through the bill of Messrs. Rothwell, Johnson & Stubbs, covering 89 titles in the Province of Manitoba, and aggregating, in addition to other work, \$4,721.32?—A. Yes.

Q. We have already the proportion that was Torrens titles?



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Mr. CARVELL.—When you say, ‘aggregating in addition to other work,’ what do you mean?

Mr. MEIGHEN.—In addition to reporting the title, that is what I meant to say.

Mr. CARVELL.—You mean that the total includes other work besides reporting the title.

*By Mr. Meighen:*

Q. Now, will you give me the number, the exact number of  $\frac{1}{4}$  sections there are of the parcels charged for in these 89 titles that were under the Torrens system?—A. Sixty-four, I think.

Q. Is that 64 out of 89, or 64 out of a lesser number? Mr. Johnson admitted 64 out of 81, and the Kern & Mathews titles you remember, and four more I examined Mr. Johnson on that were not reported on?—A. Not reported on, yes.

Q. Making 72 in all?—A. Yes.

Q. Did you examine the abstracts, Mr. Walker, to get an idea of what the search and reporting of title would be worth in connection with the old system lands?—A. I did, yes.

Q. You heard the evidence of Mr. Johnson to the effect that he had prepared a form of transfer for the commissioners and then subsequently I think he said in the most cases he had that form of transfer completed for the various parties who had sold to the Transcontinental?—A. Yes.

Q. And then in the case of outstanding agreements, that they had a quit claim deed filed and put through the title to the Transcontinental and reported upon it. And then, Mr. Walker, in the case of the 72 Torrens titles, what would you consider a fair fee for that work for a solicitor in Manitoba, a fair fee per title?—A. Of course that would depend on the extra work, with some titles there would be more work than with others.

Q. Naturally some would involve more work than others?—A. Yes, for a title, where there was simply the transfer and the drawing of the transfer, and no encumbrances, I should say that a fee of \$5 for drawing of transfer, and \$4 to \$5—\$5 at the outside, for passing the title, with probably an attendance to register, attendance for search letter and letter for notice of taxes.

Q. Would you take into consideration, in allowing for the transfer in such cases as we have had before us, would you take into consideration the fact that the form of transfer had been prepared and charged for by counsel, and the form printed in pursuance thereof by the commissioners, would you take that into consideration?—A. I would not be inclined to take that into consideration.

Q. You say you would not?—A. Not unless there was a special agreement.

Q. Would your \$4 to \$5 for report of Torrens title, and \$5, say, for transfer, be allowed in addition to the attendances you speak of in each case?—A. Yes.

Q. Then what would you say would be the total outside allowance that you say it should average on the 72 titles, outside of disbursements?—A. About \$12 or \$14.

Q. Now, then, take the old system titles, Mr. Walker, granting that such duplicates as we ran across were errors in the bill, and that there were 17 old system titles, what would you say on a similar basis would be an outside average amount?—A. That would altogether depend upon the number of different registrations in the abstract.

Q. Well, you have examined the abstracts, and you can see under the old system cases exactly what mortgages there were?—A. Yes.

*By the Chairman:*

Q. Would that involve the examining of the conveyances?—A. That will involve the examination of the different conveyances.

Q. But you would have to know what they were?—A. Certainly, it throws more



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responsibility upon the solicitor under the old system than there is under the other, because if he passes title he is responsible if it is not correct.

Q. What you mean by 'old system' is that it is like the Ontario system?—A. Exactly.

*By Mr. Meighen:*

Q. What would you say in that case, Mr. Walker, how much would you allow for reporting title, an average title that appears in these abstracts?—A. Well, from \$15 to \$20 or \$25. There was one abstract I looked over there that I would think a fee of \$10 or \$12 should be allowed for passing it.

Q. Your estimate of \$15, \$20 or \$25 includes the transfer?—A. Yes, that includes the transfer.

Q. So that your outside fees would be \$12 or \$14, taking the average of the new system, or Torrens titles, and \$15 or \$20 or \$25 on transfers under the old system?

Mr. CARVELL.—The witness has not said that would be outside figures, that will include attendances, which will be another matter.

Q. I will just ask the witness about that?—A. From \$10 to \$25. Of course you can understand there may be a number of attendances, that would be outside of that.

Mr. CARVELL.—That is what I thought, my learned friend put in the words, 'outside figure.'

*By Mr. Meighen:*

Q. In the case of a Torrens title I put it in, and the witness put it in, but under the old system title I understood you to say you did not include that under the \$10, \$15 or \$25?—A. From \$15 to \$25.

Q. Would not that include attendances?—A. I should think so. I put it at \$25 to cover the various attendances. It might possibly be more in one case, but I should think that would be the outside from my recollection of that.

Q. You should think that would be the outside?—A. I think so.

Q. Including the attendances?—A. I should think so, yes.

Q. Well, evidence has been given that the most of these titles, all, I believe except 5, represent some six acres in area, and that five of them represent the whole five quarter sections?—A. The whole four?

Q. In the Kern-Mathews deal there were five?—A. Yes.

Q. Now you have examined the nature of the title, from the certificate, you have examined the nature of the Kern title, the way it stood before it went into the hands of the Commissioners?—A. Yes.

Q. It stood, I understand two quarter sections under one Torrens title, and another quarter under another Torrens title?—A. Yes.

Q. You have heard Mr. Johnson's evidence to the effect that Mr. Kern had his own solicitor in that transaction, and that Mr. Johnson's business was to act for the Commissioners?—A. Yes.

Q. Now taking into consideration only his work, acting for the Commissioners, in examining and passing and reporting upon the titles, two certificates of title, to these three quarter sections, what would you say would be a fair fee?—A. That is for his solicitor's work only?

Q. Solicitor's work only, acting for the purchaser, in passing and reporting on title?—A. To three quarter sections.

Q. I say that so that I will not include any negotiations. I take his work as solicitor.—A. I understand that—there are three quarter sections.

Q. Three quarter sections and two certificates of patent?—A. You have not got the paper?

Q. Yes, I have them.—A. I would rather look at the report. (Certificate handed to witness.)

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Q. It is in that report, and the items are numbered in pencil 49, 50 and 51.—A. It is not 60 and 61?

Q. No, the numbers are 49, 50 and 51 in pencil numbers there on the margin.—A. Of course there is nothing to show what there was except the transfer, there is nothing to show except the transfer.

Q. Well, the transfers were put through, as Mr. Johnson swore, by Mr. Kern's own solicitor, that shows the title and Mr. Johnson acted for the purchaser in examining and passing the title.—A. I should think \$25 or \$30 would be the amount.

Q. \$25 or \$30. Now then, take the Mathews case, Mr. Walker, you will find the Mathews' title there under No. 62. One quarter section, the very last one, and No. C, in the abstract, the old system quarter section is the other. You can examine that of course, with the bill or take my word for it?—A. There is one under the old system and one under the new.

Q. S.W. 3-11-4 is the new, and S.E. 3-11-4 is old, and to be fair I will ask you to recollect that in this case there is an encumbrance to pay off, also that Mr. Mathews had his own solicitor?—A. I should think that the Torrens title one should be, from all I can see here, about \$15.

Q. About \$15, and the old system one?—A. I should think that one should be about \$25

Q. Making altogether solicitor's fees of \$40?—A. Yes.

Q. And of course I understand you want it understood that does not include anything in the way of negotiations for the purchase?—A. Oh, no.

Q. Have you looked through this bill, amounting to some \$690 for other work included in the passing of the titles?—A. Yes, I have looked through it.

Q. That is with a view to ascertaining whether, on the face of it, you could say whether it is excessive or not?—A. Well, it is excessive in some instances, but of course I could not say without hearing the explanation.

Q. It would require going over each single item of the many hundreds there are, to tell?—A. Yes.

Mr. CARVELL.—The witness has not said that there are many hundreds of items. I will prefer if counsel will allow the witness to give evidence?—A. There are some 50 or 60 pages, 58, but there are quite a number of blank pages.

*By Mr. Sharpe (Ontario):*

Q. Count the items on one page and then count the number of pages so that we can tell the exact number, if Mr. Carvell wants to be so exact?—A. There are ten such charges of one dollar, that the ordinary fee is fifty cents, but that might be explained why it would be worth a dollar, I could not say.

Q. You are not taking any single charge there, or at all events a fee, with a view of swearing positively whether it is excessive or not?—A. Well, there is one item of attendance before the Council meeting of Springfield, which is charged at \$25, now that is charged here for all day and is a reasonable fee.

Q. Yes?—A. Now, there is another one of \$50. I think for the same thing I should think that without explanation that would be only \$25.

*By Mr. Carvell:*

Q. Which one is that?—A. I am just trying to find it.

Q. We would like to have it?—A. I am speaking from recollection now.

Q. I understand, just give me the item and I will enquire into it?—A. The item is on page 11, June 10. 'To fee for Mr. Johnson, all day at meeting of Springfield Council when by-law closing road passed, \$50.'

Q. What place?—A. At Springfield. The other item I referred to is on the first page. 'Attending Council meeting at Oak Bank, municipality of Springfield re closing road when same referred to solicitor for advice, all day, \$25.' That, I think, is reasonable. The other, of course—

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Q. In the absence of explanation?—A. In the absence of explanation, I think, \$25 should cover that.

*By Mr. Meighen:*

Q. You have had many years' experience taxing bills?—A. Yes.

Q. Now then, taking that bill, from what you can judge on the face of it without taking many many hours or days which it will take to go over each one of the items with Mr. Johnson, what percentage would you say was excessive, or what percentage would you say was about what it ought to be?—A. I did not add them up.

Q. I beg pardon?—A. I did not add them up, I went through it and there are several items, quite a number of items, that should be reduced without further explanation. But I did not add up the amount, you asked me to do it, but I did not do it.

Q. Could you give the committee an estimate to what extent you consider it excessive?

Mr. CARVELL.—He said he had not added it up.

A. I say I have only taken off \$32, but there are a number of items I have queried although I did not add them up.

Q. Can you say to what extent, in your judgment, it would be found excessive, all accurately taxed, all parties present?—A. I could not say that because I do not know what explanation would be made.

Q. Now then, just to resume where we left off a few minutes ago, in giving your evidence as to what would be the outside that would be allowed in the average case all through these Torrens titles, did you consider that there are as many as 72 of them, and that naturally many of the attendances would be made at the one time?—A. No, I did not consider that.

Q. You did not consider that. Now, did you consider that in the case of an outstanding agreement or mortgage a quit claim was secured from the vendor? Did you consider there would be a certain number of them in which there will be a mortgage; you can see it in fact from the abstract?—A. Yes.

Q. Would you think that in view—or first of all, do you think you should have considered that many of the attendances could be made at once, or do you think it would be right to do so?—A. I would not do so. I never tax so closely as that.

Q. You never tax so closely as that?—A. I do not.

Q. But you have considered it from the point of view of incumbrances?—A. Yes.

Q. Have you taken into consideration, Mr. Walker, the fact that many of these quarter sections under the Torrens system were grouped in one certificate, sometimes four, sometimes three and sometimes two. Have you taken that fact into consideration?—A. I did not take that into consideration.

Q. Would that affect your taxing?—A. If there was a certificate of title for the whole section, and if there were four pieces taken, a piece off each quarter section, if for some reason a transfer of each quarter section was required, I should say that there would be only one fee for searching title because there would be only one title to search, but extra fees for each transfer if necessary.

Q. So that in case, for instance, the four quarter sections embraced in 34-10-10, you would reduce your outside estimate by the fees for reporting the title of three quarter sections?—A. Yes.

Q. And similarly if there were three quarter sections in one title you would reduce by two, and if there were two in one would you reduce by one the fee for search?—A. Exactly.

*By Mr. Lennox:*

Q. That is to say you would only make one report instead of three or four as the case may be?



*By Mr. Meighen:*

Q. And in allowing the transfers you are assuming there was some reason for bringing out each title separately?—A. I should think so, or it would not be done.

Q. Can you give any reason yourself?—A. Unless, naturally, the explanation that Mr. Johnson gave that they keep separate files; I did not know that.

Q. Separate files for each quarter?—A. Yes.

*By Mr. Carvell:*

Q. Mr. Walker, I understand in the estimate which you have given as to a reasonable fee on the Kern property, you were taking into consideration only the solicitor's work?—A. The solicitor's work.

Q. As appears upon the certificate of title furnished you from the Lands Titles Office?—A. Exactly.

Q. And you hadn't taken into consideration any negotiations leading up to the transaction?—A. I had not.

Q. You had not taken into consideration the magnitude of the amount of money involved?—A. No, I did not take that into consideration.

Q. You have treated it simply as though it were an ordinary section of farm land in the country?—A. Exactly.

Q. And you place it exactly on the same plane as you would 70 or 80 rural parcels which have been referred to here?—A. Yes.

Q. Now, in taking a title or a bill between solicitor and client, would you take into consideration as large an amount of money as \$138,000 being involved in the purchase price?—A. If it was charged separately I might.

Q. You might?—A. Yes.

Q. Well, you have heard the evidence of Mr. Johnson yesterday, that he had a conversation with you about this matter: is that really true?—A. That is true, yes.

Q. And is his recollection of the conversation practically correct?—A. Well, it is not exactly correct.

Q. I beg pardon?—A. It is not exactly correct, because my recollection is that he put to me a question of property of \$200,000 or \$300,000, and negotiations leading up to the transfer, what would be a proper fee. My recollection is that my answer to him was \$400 or \$500, and while he thought—

Q. That was about right, too?—A. That was about right too. I take it now from the bill that that was the amount of both the Kern and Mathews proportion—the two.

Q. You take it now that it referred to both of them?—A. It has struck me from reading over the bill that he referred to the negotiations for the Kern and Mathews properties, that at that time he put the two together.

*By Mr. Sharpe (Ontario):*

Q. Did he particularize the property at that time?—A. No, he did not.

*By Mr. Carvell:*

Q. If Mr. Johnson says he was only referring to the Kern transaction you would not contradict him?—A. I would not, because he did not mention any particular property.

Q. And you draw that inference now because, after listening to the evidence, your recollection is that he told you it was a larger transaction than the Kern transaction was?—A. I gather it from the amount, from my recollection of the amount.

Q. From your recollection of the amount?—A. Yes, that it was \$200,000 or \$300,000. That would be the amount, I gather, of the two.



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Q. You are simply assuming that because it came to an amount equal to the amount of the two purchases?—A. Exactly.

Q. Do you know Mr. P. A. Macdonald, of Winnipeg?—A. I do.

Q. Who is he and what is his official position?—A. He is the master and referee.

Q. And it is his duty also to tax costs, as well as your own?—A. Not to tax costs, but to fix all those amounts and make allowances as master.

Q. That will be on reference to what, trustee?—A. Yes, on trustees and other matters.

Q. But principally trustees?—A. Principally trustees.

*By the Chairman:*

Q. Are there occasions where he taxes costs?—A. No, he does not tax costs, he refers those to me.

*By Mr. Carvell:*

Q. He would allow commissions?—A. He allows commissions to trustees.

Q. And to a large extent, or at least to some extent, it would be dealing in some wise between solicitor and client?—A. Yes.

Q. Do you know Mr. H. W. Whitla of Winnipeg?—A. Yes, I know him.

Q. Is it true he is a partner of Mr. Haggart, at present Federal member for Winnipeg?—A. No, not at the present time.

Q. He was a partner?—A. Yes.

Q. Up to what time?—A. About a year or a year and a half ago.

Q. Was he a partner of Mr. Haggart at the time this transaction took place?—A. I fancy so, but really I could not say so.

Q. By the way, this is the Mr. Whitla who at one time was private secretary to Mr. Roblin, was he not?—A. Not that I know of.

Q. I think he figured in the Forester's Fund in some way, if I remember rightly. However, I am not going into that, I just wanted to know if it is the same man who sold some property to the Independent Order of Foresters?—A. I could not tell you, I do not know.

Q. Now, in the evidence you have given as to what in your mind would be a reasonable fee, you would still admit that there might be instances where a much greater number of attendances would be required, and a much greater number of letters have to be written, than you have allowed for? Would you not?—A. That is quite possible.

Q. And if these conditions exist you would allow greater fees?—A. I would go higher, yes.

Q. You would go higher?—A. Well, not in the fee for reporting.

Q. But for these extra fees?—A. Yes.

Q. You claim that the fee for reporting titles would be \$4.00 to \$5.00?—A. Yes, \$4.00 or \$5.00.

Q. And for making a transfer, \$5.00?—A. Yes, \$5.00.

Q. Now in addition to that you have allowed \$1.00, \$2.00, up to \$4.00 on the average on the Torrens title?—A. Yes.

Q. Now, if the solicitor could show that he had performed greater services than these in the way of attendances, writing letters, different services, would you allow that?—A. I certainly would if he showed that there was more work, of more value. I would allow it.

Q. Any taxing officer would have to do that?—A. Certainly.

Q. Do you think any taxing officer should, in the absence of having the items placed before him tell this committee exactly what he thinks these bills should be taxed at?—A. Certainly not, only approximately.

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Q. And the evidence you have given here is only approximate evidence?—

A. Certainly, I have not the items before me.

Q. You have not scrutinized Mr. Johnson's itemized bills, have you?—A. I have not.

Q. You saw him produce the docket here yesterday, did you not?—A. Yes.

Q. Have you scrutinized this at all?—A. I have not seen it.

Q. He gave the items here, and said that one bill figured up at \$13, another at \$37, another \$40 odd, you have not examined this at all?—A. No.

Q. And if the services were performed that these items called for, then you would have to allow them if you were taxing the bill?—A. Not all of them, there are one or two items that he charges there that I would consider are covered by the fee.

Q. However, you would have to bring your judgment to bear on the several items?—A. On each particular item.

Q. And if they were correct you would have to allow them?—A. Certainly.

*By Mr. Meighen:*

Q. Your evidence is that from your experience for each case of the 72 Torrens titles \$12 to \$14 would cover the outside—A. That is so.

Q. And you have allowed there, including \$4 for report and \$5 for transfer, you have allowed \$3 to \$5 as well in each case—A. Yes.

Q. But you say that even this should be reduced in cases where there was one certificate for several  $\frac{1}{2}$  sections without any explanation?—A. Where there is one certificate there should be only one report.

Q. In a deed where the transfer was drawn by the other man's solicitor, you would not allow the transfer to Mr. Johnson, would you?—A. No, I would not.

Q. He admits that was done in many cases?—A. I do not know.

Q. When Mr. Carvell asks you if you had considered the amount—in the first place you referred to the word 'negotiations' in giving your evidence as to what would be right on the Kern-Mathews deal, you understood it covered 'negotiations,' what negotiations did you understand it covered?—A. Negotiations and fixing the price.

Q. Leading up to the purchase?—A. Leading up to the purchase.

*By Mr. Lennox:*

Q. Negotiations resulting in their purchase?—A. Exactly.

*By Mr. Meighen:*

Q. If these negotiations had been charged for, you would not think of allowing them again?—A. I should not think so.

Q. You stated that you allowed \$25 in the case of the Kern deal, was it \$25 or \$30?—A. Fifteen dollars and twenty-five dollars.

Q. That is the Mathews' deal, \$15 and \$25, \$40 altogether.—A. Was it?

Q. But in the Kern's deal there were two certificates of title covering three  $\frac{1}{2}$  sections, it is the Kern's deal you remember?—A. Oh.

Q. I asked you about it first, I am open to correction, whether it was \$20 or \$25. Why did you allow the extra amount there?—A. On account of the number of items in the bill.

Q. Two certificates for three  $\frac{1}{2}$  sections?—A. Isn't it one?

Q. No, I think you are mixing up the Mathews' deal.—A. Then I have it mixed up. I thought I was giving you one under the new system and one under the old system.

Q. You figured \$40 to that, \$15 for the new and \$25 for the old. But the two Kern  $\frac{1}{2}$  sections, two new system, you allowed \$25. Why did you allow that extra amount?—A. That is No. what?

Q. Nos. 49, 50 and 51. Was it on account of the amount involved?—A. No, I was not considering that then at a<sup>11</sup>.

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Q. Where it is a Torrens title, Mr. Walker, the solicitor has little responsibility for a title which is given under the Torrens system?—A. It is guaranteed out of the insurance.

Q. By the province?—A. Yes.

Q. In such cases do you think the amount involved cuts any figure, in the case of a Torrens title?—A. Lawyers have to live, they charge for these things.

Q. But in the actual work or responsibility involved, do you think it cuts any serious figure?—A. No, I do not.

Q. That is why you did not allow for it?—A. The reason I allowed that was because there were two separate transfers necessary.

Q. It was the negotiations that led you to make the estimate of \$400 or \$500, and because it covered the whole transaction?—A. Certainly.

*By Mr. Sharpe (Ontario):*

Q. As taxing officer, when a solicitor draws certificate of transfer do you allow him a fee on perusing it?—A. No.

Q. Not for perusing his own certificate?—A. No.

Q. I understand there was an item in Mr. Johnson's docket of \$2 for perusing his own certificate, would that be proper?—A. If it was his own certificate I would not allow it.

Witness discharged.

Mr. THOMAS H. JOHNSON, recalled.

*By Mr. Blain:*

Q. The witness gave us a detailed statement of his bill for one quarter of a section, would you mind putting in the bills for the other three-quarter sections? I am not anxious that they should be read, but that they should go into the evidence. We had the bill for one quarter section of 34-10-10, and we want the bill for the other three-quarters of that section?—A. The items of the bills in question are at pages 88 and 89 of my docket.

*By Mr. Meighen:*

Q. Would it not be on three pages?—A. No, apparently the S.E.  $\frac{1}{4}$  of 34-10-10 was first entered on page 88, and subsequently there has been entered in red ink, not only the first entry as to the S.E.  $\frac{1}{4}$ , but also the N.E.  $\frac{1}{4}$  of the same section. Then the S.W.  $\frac{1}{4}$  of 34-10-10 was entered on page 89, and again, subsequently, the N.W.  $\frac{1}{4}$  of 34-10-10 was entered in the same place.

*By Mr. Sharpe (Ontario):*

Q. What is that entry in red ink, how does it read?—A. These two items here, as I explained yesterday, are the only ones in the whole docket; I have perused it, which I do not personally understand myself. The man who made the entries has made memoranda and remarks on it that evidently mean something to him, but I do not understand them myself. He has not been in the office since the first of January, and I was not able to get information; I confess, gentlemen, that I am not able to explain the details in connection with those two items, but they are literally the only ones in the whole docket that I am no able to explain.

Mr. BLAIN—Then the details of those three quarter sections go down, Mr. Chairman, that is understood.

Mr. CARVELL.—Certainly, there is no objection.

(Extract from docket, pages 88 and 89, as follows):

(88)	No. 29	Pl. 1275
Land: S.E. 34-10-10 E (29)	File.	
N.E. " (29a)		
(red ink).		
Owner.—Prov. Lands Commissioner.	Certificate No	
Address.—Winnipeg.		
Price.—S.E. 2.81 ac.		
(red ink)		
Area.—1.46. N.E. 3.25 ac.		
(red ink)		
(cancelled in red ink).	New plan. (red ink).	
1906		
Insurance. . . . .	\$ 4 00	
December 7.—Dep. Prov. Lands Commissioner having applied for description of Right of Way across lands, instructions to prepare description of Right of Way. . . . .	2 00	
To description as instructed. . . . .	1 00	
December 11.—Ltr. with to Dept. Prov. Lands Commissioner. . . . .	50	02
1907		
December 18.—Received transfer—persuing. . . . .	2 00	
Ltr. returning same for correction. . . . .	50	11
Same entry as to this in 29a. . . . .	2 50	02*
December 20.—Received transfer corrected, perusing. . . . .	1 00	
Attending L.T.Q. to regular transfer and paid.. (Same chge as last 29a). . . . .	1 00	3 00
	1 00*	3 00*
December 30.—Attending for cert. of title. . . . .	1 00	
Perusing. . . . .	2 00	
Same entry in 29a. . . . .	3 00*	
December 31.—Fee passing and reporting title. . . . .	5 00	
Ltr. with all papers to Right of Way agent..	50	
Attending him with. . . . .	50	
Ltr. to Mr. Atkinson advg. . . . .	50	0 02
Same entry in 29a. . . . .	6 50*	6 02*
(red pencil line)		
No. 29 (in red pencil). . . . .	30 00	3 15
No. 29a (in red pencil). . . . .	30 00	3 15
(*These figures encircled by ring in red pencil).		
(89)	A 20	Pl. 1275
	No. 30	
Land.—S.W. 34-10-10 E. 29	File.	
N.W. 34-10-10 E. 29a.		
Owner.—Prov. Lands Commissioner.	Certificate No	
Address.—Winnipeg.		
Price.—S.W. 4.56. (in red ink).		
Area.—10 N.W. 7.55. (in red ink). 100 feet on each side of centre line.		
(cancelled by red ink)		(in red ink)



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1906

Insurance.. . . .	\$ 4 00	
December 7.—Dep. Prov. Lands Commissioner having applied for description of Right of Way across lands, instructions to prepare description of Right of Way.. . . .	2 00	
To description as instructed.. . . .	1 00	
December 11.—Ltr. with to Dept. Prov. Lands Commissioner.. . . .	50	02

1907

December 18.—Received transfer—persuing....	2 00	
Ltr. with receipts.. . . .	50	2
Same entry as in 29a.. . . .	2 50*	2
December 20.—Attending to reg. transfer and paid	1 00	3 00
Same chge as No. 30.. . . .	1 00*	3 00*
December 30.—Attending for cert. of title.. . .	1 00	
Perusing.. . . .	2 00	
Same entry in 30a.. . . .	3 00*	
December 31.—Fee passing and reporting title..	5 00	
Ltr. with all papers to Right of Way agent..	50	
Attending him with.. . . .	50	
Ltr. to Mr. Atkinson advg.. . . .	50	02
Same entry in 430a.. . . .	6 50*	2
(red pencil line)		
No. 30 (in red pencil).. . . .	30 00	3 06
No. 30a (in red pencil).. . . .	30 00	3 06

(\*These figures encircled by ring in red pencil).

*By Mr. Carvell:*

Q. You told us yesterday that you had a conversation with Mr. Walker as to what would be a reasonable charge in connection with the Kern matter?—A. Yes.

Q. When you were talking to Mr. Walker were you referring to the Kern matter or to the Kern-Mathews matter?—A. I had in mind the Kern matter only, because at that time the Mathews transaction was not closed up and I was not in a position to render my bill for that.

Q. And when you rendered your bill in 1906 it referred only to the Kern matter?—A. That is all.

Q. And when did the Mathews matter first appear in the bill?—A. Some time in 1907, and I put that in in the same proportion as in the Kern matter about which I had consulted different parties.

Q. Then it is very evident that when you consulted Mr. Walker you must have referred only to the Kern matter?—A. Yes, and in addition to that is my recollection of it.

Q. The dates will show you?—A. I cannot give the date when I spoke to Mr. Walker.

*By Mr. Sharpe (Ontario):*

Q. Did you speak about any amount?—A. As I said yesterday, not in detail.

Q. Did you mention any amount in bulk?—A. In round figures?

Q. What did you tell him in round figures?—A. I would probably say \$130,000 or \$140,000.

Q. What did you say?—A. I do not remember the exact size of the amount.

Q. You would not dispute it when he says that you said it was \$200,000 or

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\$300,000?—A. I would certainly say that I would not mention that amount, because I had no transaction of that amount at that time before me.

Q. What was the amount of these two transactions?—A. \$138,000 was the amount of one and \$74,000 was the amount of the other.

Q. That would come to a little over \$200,000 as Mr. Walker said?—A. It would be something over \$200,000.

*By Mr. Carvell:*

Q. Did you also have a conversation with Mr. P. A. Macdonald, Master of Court of King's Bench and Referee?—A. Yes.

Q. Tell me what that conversation was?

Mr. MEIGHAN.—I object to the question and I press my objection for the reason that it is proposed to give evidence of what somebody else told Mr. Johnson, which would not be right. I raised the objection yesterday when Mr. Johnson was asked concerning his conversation with Mr. Walker and Mr. Carvell then, with more ingenuity than faith, argued that as Mr. Walker was here and was to be called as a witness Mr. Johnson should be allowed to relate the conversation that took place between them, and the then chairman admitted it. If Mr. Johnson is to be allowed to give evidence as to what other men in Manitoba said would be a fair charge, where are we going to end?

Mr. CARVELL.—I deny that I based my contention yesterday on the fact that Mr. Walker was present. My argument was, and I make the same argument with reference to the conversation with Mr. Macdonald, that the question before this Committee was whether or not the bill this witness rendered to the Commission was reasonable, and whether it was a reasonable bill under the circumstances as they existed in Manitoba. I am offering this evidence to show that before rendering his bill he took all precautions to find out what was the proper amount.

The CHAIRMAN.—Who was Mr. Macdonald.

Mr. CARVELL.—He is the Master of the Court of King's Bench and Referee.

The CHAIRMAN.—In what way was it submitted to Mr. Macdonald; was there anything official about it?

Mr. SHARPE (Ontario).—There was nothing official, it was *ex parte*.

The CHAIRMAN.—I think he could go as far as to say that he submitted it to him, and that he approved of it.

Mr. MEIGHAN.—I object to that, because that is the whole thing. I have no objection to going so far as to ask who he consulted, but I do object to the witness telling this committee what those he consulted said.

*By Mr. Carvell:*

Q. Let me change the form of my question. Did you have a conversation with Mr. P. A. Macdonald as to the amount of the bill which you ought to charge?—A. Yes.

Q. You did, and as a result of that conversation did you fix the bill at \$600.

Mr. MEIGHAN.—I object to that.

The CHAIRMAN.—Would it not be admissible that the witness be allowed to state he had submitted his bill before putting it in? I think that is about as far as we ought to go.

Mr. CARVELL.—We are not bound by the rules of law.

The CHAIRMAN.—The committee can receive any evidence it likes.

*By Mr. Blain:*

Q. Is it your general custom to submit your bills to your neighbours before you make them out?

Mr. GEOFFRION.—'Consult' is what he says he did.

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Mr. BLAIN.—Well, I will accept that correction.

A. In my short experience this has happened a large number of times; when two solicitors were engaged for different parties to a transaction to put through the solicitor's business, supposing I was acting for the vendor and another solicitor for the purchaser, the solicitor for the other side would come to me and say, 'What do you think would be reasonable to charge my client, you know the work I have done.' Now, that thing works both ways.

Q. Are there any other parts of the bill that was paid by the government that you submitted or consulted your neighbours about before rendering?—A. No, none except these large items, because the others were very ordinary, and most of them according to agreement.

*By Mr. Carvell:*

Q. Well, as a result of this conversation, you submitted the bill, did you?

Mr. MEIGHEN.—I object to that.

The CHAIRMAN.—I think if he says he rendered the bill in the shape he did after consulting people who are familiar with charges made for such work, it is all right.

Mr. CARVELL.—That is all I am asking.

Mr. MEIGHEN.—Not as a result of the conversation?

The CHAIRMAN.—Then, if any one wishes to cross-examine him as to what did take place they can.

*By Mr. Carvell:*

Q. What do you say to that? The ruling is that I have the right to ask you that question?—A. I rendered my bill in connection with the Kern matter as I did, after consulting Mr. Walker, the last witness, Mr. P. A. Macdonald, the Master of King's Bench and Referee, Mr. H. W. Whitla, a barrister, and Mr. W. F. Hull, solicitor for the vendor in the transaction.

*By Mr. Lennox:*

Q. Did you make practically the same statement to each of these gentlemen?—A. Yes, certainly, because it was the same subject-matter. I might not have used the same words.

Q. But practically you made the same statement?—A. It was the same matter I had considered.

Q. And you made substantially the same statement to each gentleman?—A. It was the same matter I was asking all of them about.

*By Mr. Carvell:*

Q. Have you in your bills made charges for all the consultations which you have had with the commissioners in the two years you have been working for them?—

A. Why, no. I have had from time to time a very large number of consultations with the commissioners, as their solicitor in connection with business on occasions when they were visiting Winnipeg, for which I have made no charge.

Q. And to which commissioner in particular does this refer?—A. Mr. Young is the one that consults me.

Q. And does Mr. Young consult you apparently every time he comes to Winnipeg?—A. I think I am safe in saying that on some question or other every time he comes up Mr. Young wants to consult me.

Q. And you have made no charges, but have simply relied on the flat rate of \$30. and the charges made in these bills, for remuneration for those services?—A. Yes.

Q. You heard the evidence of Mr. Walker this morning that he thought the charge of \$50 on page 11 of your bill of date June 10th, for fees attending the Springfield Council was excessive?—A. Yes, I heard Mr. Walker say that.

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Q. Can you give the details of the particulars of this charge?—A. The commissioners had just prior to that purchased the five quarter sections for the shops and yard site east of Winnipeg and the property was cut into three parts by two roads running through it, and the usefulness of the property would practically demand that these roads be closed. Negotiations were taken up with the Municipal Council for Springfield, in whose municipality the land was situated, with a view of getting them to pass a by-law authorizing the closing of the roads. The by-law was to come up for consideration on the 10th of June, 1907, at Oak Bank, 16 miles from Winnipeg. The closing of the road was opposed by certain property owners in the vicinity, so that the occasion was an important one and we had to prepare our case in the best possible way. So I started out that morning—I was to have had the assistance at the meeting of one or more of the commissioners and the chief engineer because questions might arise there that the municipal council would want to know about. On that particular morning it was raining very, very hard, the weather was not fit to be out in, and the others abandoned the idea of going, so I started out alone in the rain to attend the municipal council meeting. I got the matter through after a very long contest of four or five hours, it was opposed by two or three other solicitors; the matter was a very arduous one, it took all day, and after being out in the rain for a great many hours I got back to the city about ten or eleven o'clock at night after driving through heavy mud roads and I charged \$50.

*By Mr. Geoffrion:*

Q. And you only charged \$50 for the whole thing?—A. Yes, sir, I only charged \$50.

*By Mr. Carvell:*

Q. Do you say that is reasonable or unreasonable?—A. I know it is very, very much lower than is usually paid for services of that class. I know it.

Q. My hon. friend read to you a letter the other day, dated 17th January, written by Mr. Young, and you at that time looked over the return for the answer?—A. Yes.

Q. I have here two letters written by you, one on January 26, 1907, to Mr. Young, and another one of the same date written by you to Mr. Atkinson, the law clerk of the Commissioners?—A. Yes.

Mr. CARVELL.—I suppose, Mr. Chairman, I can put these in evidence without proving them, that has been the custom.

The CHAIRMAN.—That is the usual custom?—A. I personally wrote the letter to Mr. Atkinson of January 26, 1907, and the letter to Mr. Young of the same date.

Mr. CARVELL.—I offer these in evidence, Mr. Chairman.

Mr. MEIGHEN.—I am at a loss to understand that this evidence—  
(Argument followed).

The CHAIRMAN.—The letters being in the return which is before the Committee there is no objection, it is in accordance with the practice of this committee to admit them.

Mr. CARVELL.—I will read them. (Reads):

(Copy).

‘WINNIPEG, January 26, 1907.

H. ATKINSON, Esq.,  
Law Clerk,

Commissioners Transcontinental Ry.,  
Ottawa, Ont.

DEAR SIR.—We are in receipt of your favour of recent date calling our attention to a fee of \$600, which we charged in connection with the transfer of the Kern



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property. Your theory that a typographical error had crept in the account is, we are glad to say, erroneous. We made the charge deliberately, based on authority as well as on what is the usage among the profession here under similar circumstances.

You will please recollect that there were three parcels of land involved in this case, of a value aggregating \$138,000. It was our duty to investigate the title to certify to the same, and the purchase money, as a matter of fact, was paid over on the strength of our certificate. We have, therefore, not the slightest doubt that you will agree with us, upon looking into the matter further, that for a transaction of this magnitude, and in view of the services, the fee which we charged is a perfectly proper one.

We enclose herewith a list of some authorities which we have looked up. Naturally none of them are precisely parallel with the case in hand, but many of the cases cited illustrate the principle involved. We shall be very glad if you will take up the question of our account at the earliest possible date, and forward us a cheque in the matter.

Yours truly,

(Sgd.) ROTHWELL & JOHNSON.

[Copy.]

WINNIPEG, January 26, 1907.

C. A. YOUNG, Esq.,  
Comms. Transcontinental Railway,  
Ottawa, Ont.

My Dear Mr. Young,—I duly received your favour of the 17th inst. with reference to my charge in connection with the Kern property. The fee which I charged in this matter, while apparently large, is the ordinary fee charged for transactions of similar magnitude by the profession of this city. I have consulted with the proper notary of the Court of King's Bench, the Master of the same court and the District Registrar, and these three gentlemen all agree that the fee which I have charged is a very proper charge under the circumstances. Two of these, namely, Geo. Walker, whom you doubtless know, and P. A. Macdonald, the Referee of the Court of King's Bench, before I told them what fee I had charged suggested that a fee of \$500 would be a proper fee, in their opinion, for the responsibility involved outside of the work. I consulted these separately, and one had no idea as to what view the other had taken. Mr. Macara has not, of course, had any particular experience in taxing bills of this kind, but he said that he regarded my fee as a perfectly reasonable one. I quote these men to you, personally. In the meantime I am writing your law clerk and citing him some authorities for the fee which we have charged.

You will of course understand that while I would like to get whatever fee would be reasonable under the tariffs, I would not, under the circumstances, insist upon anything which had a tendency of embarrassing you or any of my friends, and I can assure you that there will be no falling out over this fee no matter what the final outcome will be. In the meantime I am submitting, as above stated, authorities for making the charge which I have made.

Yours truly,

THOS. H. JOHNSON.

*By Mr. Carvell:*

Q. Now, Mr. Johnson, have you the letter, or a copy of it, which you sent to the Commissioners when the flat rate of \$30, was arrived at as compensation for your services in connection with this right-of-way?—A. I have not a copy, but I saw it here.

Q. Just look at that (handing document to witness) is that a letter dated December 18, 1906?—A. Yes, a letter written by me to Mr. Young.

Q. Is this the original letter?—A. The original letter.

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Mr. CARVELL.—I offer this as evidence.

Mr. LENNOX.—On what grounds?

Mr. CARVELL.—It is the contract. This letter is dated Winnipeg, December 18th, 1906, addressed to C. A. Young, Esq., as follows. (Reads:)

WINNIPEG, CANADA, Dec. 18, 1906.

C. A. YOUNG, Esq.,

Commr., Transcontinental Railway,  
Ottawa, Ont.

DEAR MR. YOUNG,—Referring to our conversation when you were last in the city, with regard to establishing a flat rate for examining and passing upon the various titles to the lands acquired by right of way, I beg to enclose herewith a bill which I have had made up in connection with one of the first parcels which we have completed, being No. 14, and being a part of the SW. of 36-10-11 east, purchased from Wasyl Swartz. The fees charged are certainly not higher than the prevailing tariff and aggregate, in connection with this parcel, \$37.50.

There were no particular difficulties in connection with this parcel, and may, therefore, be taken as a fairly representative parcel as compared with the others. No doubt there will be some titles which would involve somewhat less work; on the other hand, there would be sure to be others which would entail very much more trouble than the particular one above mentioned.

It has occurred to me to suggest that a flat rate fee of \$30 for each parcel would be a reasonable arrangement so far as the rural part of the right of way is concerned. It is very difficult to establish what would be an equitable flat rate for titles within the limits of the town of Saint Boniface, or in cases where the land is subdivided into town lots. I think, therefore, at the present time, it would be more satisfactory to arrange a flat rate only for the unsubdivided portions of the right of way, and suggest the above basis.

Yours truly,

(Sgd.) THOS. H. JOHNSON.

By Mr. Carvell:

Q. Is that the letter on which the contract was made that you should charge \$30 for each parcel through the rural portion of the right-of-way?—A. Yes.

By Mr. Sharpe (Ontario):

Q. Is the draft of the bill in that letter?—A. Yes, it is there, the same as I read yesterday. The same as the entries in No. 14.

Mr. CARVELL.—Oh, yes, here is the bill. (Reads.)

WINNIPEG, MAN., December 17, 1906.

The Commissioners of National Transcontinental Railway.

No. 14, *Re* S.W. 36-10-11 E. Wasyl Swartz.

In account with Rothwell & Johnson, Barristers, etc.

1906.

Nov. 15.—Ins. to examine title....	\$4 00	....
Perusing agreement.....	1 00	....
Attg. bskp. abstract.....	1 00	....
Drwg. spl. tax certificate.....	1 00	....
Ltr. to Treasurer for same.....	50	0 02
Pd. Treasurer's fee.....	....	0 25
" 17.—Attg. for abstract.....	1 00	....
Pd. for same.....	....	0 55
" 19.—Perusing abstract.....	1 00	....
Ltr. to Dept. Interior re Seed Grain, &c. ..	0 50	....

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	Ltr. to Dom. Lands Agent . . . . .	\$0 50	0 02
	Pd. agent's fee . . . . .	....	0 25
	Attg. to verify abstract, one document perused . . . . .	2 00	....
	Pd. search . . . . .	....	0 25
Nov. 26.—	Attg. upon Wasył Swartz, the owner respecting the Registration of Crown Lands to him, the Mtge to Mr. Archibald and taxes for 1906 . . . . .	2 00	....
" 27.—	Drwg. Deed in duplicate . . . . .	5 00	....
	Drawing declaration of possession and ownership, &c., special . . . . .	1 00	....
	Attg. to declare and pd. . . . .	....	0 50
	Drwg. authority to pay moneys to incum- brancers . . . . .	0 50	....
	Perusing reply from Dom. Lands Agent..	0 50	....
	Perusing reply from Secy. of Dept. of Interior . . . . .	0 50	....
" 29.—	Attg. upon Archibald, Machray & Sharpe to obtain partial discharge of mtge. Swartz to Archibald and gave under- taking to pay \$100 . . . . .	2 00	....
	Attg. Land Titles Office to make final search and bspk. G. R. cert. and abt. and register deed and P. D. M. . . . .	2 00	4 65
	Attg. for abstract and G. R. cert. . . . .	0 50	....
Dec. 1.—	Leter to Mr. Morton for cheque . . . . .	0 50	0 02
	Having rec'd O.K., letter to Messrs. Archi- bald, Machray & Sharpe enclosing ck. for \$100 . . . . .	0 50	0 02
	Ltr. to Treas. to correct cert. . . . .	0 50	0 02
" 10.—	Attg. at Dom. Express Office for orders for taxes and owner . . . . .	1 00	....
	Ltr. to Treas. with order to pay taxes. . . .	0 50	0 02
	Ltr. to owner with balance of purchase price . . . . .	0 50	0 02
	Having rec'd receipt for taxes for 1906. Perusing same . . . . .	0 50	....
	Fee on title . . . . .	5 00	....
	Ltr. to commissioners with all title papers.	0 50	0 16
		<hr/>	
		\$37 50	6 45
		6 45	
		<hr/>	
		\$43 95	

*By Mr. Carvell:*

Q. Did you get an answer to that?—A. Yes, from Mr. Atkinson.

Q. What was the answer?—A. I have not the answer here.

Q. It must be in the files?—A. It has been accepted, because it was acted on in all these cases.

*By Mr. Sharpe (Ontario):*

Q. Did we get a copy of it?—A. It is in the return.

*By Mr. Meighen:*

Q. You stated that on the occasion of Mr. Young's visits to Winnipeg he frequently consulted you on legal matters, and you advised him without charge?—A. Yes.

Q. Can you give an instance, giving the date of the consultation as near as you can, and the subject matter?—A. Well, I do not call to mind just at the moment any particular instance.

Q. You cannot remember any?—A. I know this that Mr. Young sends for me very often when he is in the city in connection with matters that come up and which he has to decide.

Q. You know that in the course of this bill items appear in this form, 'Consultations with Mr. Young,' and 'Attendance with Mr. Young,' and also 'various attendances with Mr. Young.' How can you swear the attendances you speak of are not included in these items?—A. That will be in connection with specific items, but I say that Mr. Young consults me often in connection with matters for which no charge was made at all.

*By Mr. Carvell:*

Q. Tell him of a case the last time Mr. Young was there?—A. Mr. Young consulted me when he was up there a couple of weeks ago.

Q. What date?—A. It would be during his last visit.

*By Mr. Meighen:*

Q. That will hardly be in this bill of 1907-8?—A. I was giving that as an instance of the general consultations which Mr. Young has had with me.

*By Mr. Sharpe (Ontario):*

Q. Did you make any charge for that?—A. No.

*By Mr. Lennox:*

Q. These consultations were wholly connected with matters we are dealing with here?—A. They have a bearing on my bill because I followed in that instance the same practice I had been following during the previous year.

Q. I notice you make various charges in the bill for consultations, &c., in connection with matters that you were dealing with. Now these conversations that you have not charged for are not connected with this matter at all, I think you have said so?—A. They were in connection with general matters.

Q. But not connected with these titles?—A. Oh, with these titles, no.

Q. If they were, tell us so?—A. Well, anything in connection with any of these titles, I certainly would not make a charge for because that is expressly covered by the contract and included in the flat rate.

Q. And these conversations were not connected with the matters dealt with in this bill which you have rendered?—A. The conversations and attendance that I am not specifically charging for?

Q. The consultations that you did not make any charge at all for, that you had from time with Mr. Young, they are not connected with the subject matter of this bill?—A. They would be outside of this bill altogether, in connection with general matters.

*By Mr. Meighen:*

Q. But you cannot remember a single conversation, a single subject or a single date?—A. I have not been keeping track of it at all because I have not been making any charge. These consultations and advice that Mr. Young applied to me for when he was up there last time involved a very considerable amount of work. It was a ques-



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tion of general consultation on general matters in connection with which Mr. Young calls upon me for advice from time to time.

Q. That was long since this bill was rendered?—A. I have said that was last week.

Q. Now how much did the engineers pay per month for the office in St. Boniface, the lease of which was prepared by you?—A. I cannot tell you that.

Q. Will you look over this account and see whether or not that lease cost the Transcontinental Railway Commission \$21.—A. Have you the items picked out there?

Q. What I could pick out, I just took out these items that were together?—A. Well, I might be able to give you some general information there, do you want it, Mr. Meighen?

Q. Do you recollect that the lease did cost the commission \$21?—A. No, I do not, but I know it was a lease about which there was considerable negotiation, and that the commissioners got a suitable office in St. Boniface for less than one-half what they could get a similar office for in Winnipeg.

Q. But you had nothing to do with the negotiations?—A. They were very, very anxious about the lease and I was particularly anxious to get it nailed down properly.

Q. Surely it is the duty of the commissioners to make these bargain?—A. It was my duty as solicitor to see that the lease would hold, that it would be a proper one, to see that there was no condition left out which was to the advantage of the commissioners.

Q. And it was because of that the lease cost them \$21?—A. I do not remember what it cost.

*By Mr. Sharpe (Ontario):*

Q. But you had no negotiations for the lease?—A. No, but I did take care after the negotiations were concluded that we would be able to hold what we had.

Q. Most solicitors draw leases that way, that is what they are paid for?—A. That is what we charged for.

Mr. SHARPE (Ontario).—I think we should have the items dealing with these particular negotiations down in the evidence, these items in the 1906 bill and what was taxed off in reference to the Kern matter transaction, and subsequent items covering the same transaction.

Mr. CARVELL.—You can make up a statement of that very easily.

Mr. SHARPE.—The stenographer can copy from the bill those items without copying the whole bill?—A. It would not be fair to me to have somebody else take out items alleged to have been in connection with a particular transaction.

*By Mr. Sharpe (Ontario):*

Q. It is your own bill?—A. Yes, but I would have to revise the statement.

The CHAIRMAN.—Well, you do that, you agree with these gentlemen.

Mr. CARVELL.—Mr. Johnson will revise it and will give a statement this afternoon to the reporter.—A. I would not want to agree now to let Mr. Meighen fish out items that he understands are connected with a particular transaction and have them go in without revision.

The CHAIRMAN.—Supposing you meet and agree with Mr. Meighen on it, and when you have agreed on it, it will be handed in to the stenographer.

*By Mr. Meighen:*

Q. I present a statement of the land taken from the Province of Manitoba in connection with which there were no outstanding agreements. It represents 21 items out of 32, so that in the matter of extent it coincides exactly with your evidence as to proportion.

*(Document produced.)*

A. That is my recollection.

Q. Would you state whether or not those lands and those acreages are correct?

—A. Well, they are lands in townships and ranges through which the right of way passed, and the acreages are apparently the approximate acreages of the right of way through the different parcels.

Q. And the price paid was \$10 per acre for the land?—A. I do not know about that, as I said yesterday, and I do not either want to be understood as identifying this, I do not know.

Q. You can go over your bills and verify it, but I do not want to take up the time.—A. It looks as though these are the properties.

Q. Would you accept it as correct?

Mr. CARVELL.—I do not know anything about it.

The CHAIRMAN.—Supposing he looks it over while we are talking over other matters?

Mr. MEIGHEN.—I will file it, subject to identification.

*(Memo filed as follows):*

MEMO of acreage bought by commissioners of National Trans-continental Railway for right of way, from the Government of Manitoba, as appearing in account of Rothwell, Johnson & Stubbs.

Page.	No.	Land.	Acres.
38.....	27	S. E. 35-10-10 E.	6.07
38.....	28	S. W. 35-10-10 E.	6.07
38.....	28a	N. W. 35-10-10 E.	6.09
38.....	118	N. E. 32-10-9 E.	6.09
38.....	119	N. W. 32-10-9 E.	6.09
38.....	32	N. W. 33-10-10 E.	6.05
39.....	35	N. E. 31-10-10 E.	8.76
39.....	36	N. W. 31-10-10 E.	8.76
39.....	33	N. W. 32-10-10 E.	12.12
39.....	34	N. W. 32-10-10 E.	12.13
39.....	25	S. E. 36-10-10 E.	6.06
39.....	26	S. W. 36-10-10 E.	6.06
39.....	110	N. E. 36-10-9 E.	7.62
39.....	1	S. E. 36-10-12 E.	6.07
39.....	2	S. W. 36-10-12 E.	6.07
39.....	3	S. E. 35-10-12 E.	6.06
40.....	29 & 29a	E. 34-10-10 E.	6.06
40.....	30 & 30a	W. 34-10-10 E.	12.11

Witness discharged.

Mr. G. A. YOUNG, called, sworn and examined.

*By Mr. Meighen:*

Q. You are one of the Transcontinental Railway Commissioners?—A. Yes.

Q. And I believe it was through you Mr. Johnson's firm was employed in connection with reporting on the right-of-way titles in the eastern part of Manitoba?—A. I arranged it, yes.

Q. You are aware that Mr. Johnson adopted a system which worked out in the following way, that where a certain number of  $\frac{1}{4}$  sections, two or three, or at times four, were in one certificate of title in the name of an individual owner, or of the Province of Manitoba, Mr. Johnson drew separate transfers for each  $\frac{1}{4}$  section of the right-of-way, registered them, and then brought out from the Lands Titles Office

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a separate certificate for each  $\frac{1}{4}$  section. Are you aware that system was adopted?—  
A. It is a matter that is dealt with altogether by our solicitor and law clerk, and, naturally, and as a matter of fact, I left it entirely in their hands. I understand that Mr. Johnson had an agreement for a flat rate per parcel.

Q. I am not speaking of the fees, Mr. Young. Are you aware that a system was adopted so that certificates of title never included more than a  $\frac{1}{4}$  section?—A. No, I was not aware of it.

Q. When did you first become aware of it, since this investigation commenced?—A. Since this investigation.

Q. You say it was a matter left with the law clerk and with the solicitor, Mr. Atkinson and Mr. Johnson?—A. Probably you will understand the situation better if I explain how the matter came about. Mr. Atkinson suggested to me that a flat rate should be arranged between Mr. Johnson and the commissioners for attending to the title of the right-of-way. I discussed the matter with Mr. Johnson in Winnipeg, and he afterwards wrote the letter read here this morning and the matter was handed over, I asked Mr. Atkinson, our law clerk, to go into the matter and ascertain what would be a reasonable charge, and if the amount mentioned by Mr. Johnson was reasonable. He gave me to understand that he had examined charges for similar work paid by the Department of Justice.

Q. I am not asking how this charge was arrived at, but how this system came to be adopted?—A. If you will allow me to continue—that having been done the matter after that was entirely in the hands of our law clerk, and was not submitted to me.

Q. The matter of charges?—A. The matter as to whether there was one charge for passing a number of parcels or each individual parcel. I understand, none have been covered by the contract with Mr. Johnson or it would have been referred to me.

Q. What I am getting at is the system of dividing. Supposing it just cost the country the same, you say you were aware of that system having been adopted only since this investigation commenced. Have you been able to think of any advantage that the country gained by that system of obtaining separate titles for each parcel of that right-of-way instead of taking one title for a number of parcels?—A. I have never learned of any dealings with a lawyer where the country gets any advantage.

Q. Answer the question. Have you been able to think of any advantage in the world that the country would gain by that system?—A. By dividing them?

Q. Yes?—A. I can understand that in the event later on of looking up the title to any one parcel, if it was included in the title to a number of parcels it might be a little more difficult to get at it. I do not know of any other advantage it would be.

Q. Would it not be just as much a 'parcel' if it ran through four  $\frac{1}{4}$  sections as if it ran through one?—A. What constitutes a 'parcel,' tell me that?

Q. I am not asking you that, keep your mind on the system?—A. As I understand it, the engineer submitted plan of the right-of-way and the different subdivisions, that is as I understand it, are referred to as parcels. If that is the case, and I understand it is, I cannot see that Mr. Johnson was not justified when his agreement called for so much per parcel, that he was not justified in asking so much for each parcel.

Q. I am not speaking of his charges. I will take a specific case so as to try and keep your mind on the point and not on this matter of charges. Here is a case we will say where the Province of Manitoba owns a section, 34-10-10, where the right-of-way runs through each  $\frac{1}{4}$  by reason of passing down the centre?—A. It cannot run through the whole of each  $\frac{1}{4}$ .

Q. It runs through each  $\frac{1}{4}$  of the section, runs down the centre?—A. It must be a more crooked road than the Transcontinental because it cannot run through four  $\frac{1}{4}$ 's of a section.



*By the Chairman:*

Q. It it runs straight through the middle it would touch the four  $\frac{1}{4}$ 's?—A. It can't possibly touch the four  $\frac{1}{4}$ 's if it is exactly in the middle of the section.

*By Mr. Meighen:*

Q. Well, it is a fact. If not, your solicitor charged for work he did not do?—A. Then it is a very peculiar case.

Q. It occurred twice. In other cases the right-of-way passes through three  $\frac{1}{4}$  sections and in other cases two?—A. I can understand it running through three  $\frac{1}{4}$  sections.

Q. Take the case of where it ran through four  $\frac{1}{4}$ 's. Here is the whole section owned by the Province of Manitoba in one certificate title and the railway runs through the centre taking a little off each  $\frac{1}{4}$ . Under the system adopted a separate transfer for each of these  $\frac{1}{4}$ 's was drawn and registered at the Lands Title Office and a separate certificate for the party in each of these  $\frac{1}{4}$ 's was brought out. The other method would have been to have had one transfer for the right-of-way through that whole section and brought out one certificate, the section in question being 34-10-10. Can you state any advantage the first method would have over the second to the Transcontinental Railway Commission?—A. Why certainly, it would be cheaper to have it one transaction.

Q. That is the advantage of the second system over the first?—A. Yes.

Q. Can you state any advantage that the first system could possibly have over the second?—A. I cannot. I am not intimate with a matter of that kind.

Q. This law clerk is an employee of the Transcontinental Commission?—A. Yes.

Q. Do you think there is any other Member of the Commission that could give this information to the Committee?—A. I think if you refer to the Law Clerk he will give any information of that kind.

Q. The Law Clerk could give the information?—A. He will be able to if anyone could, he is employed for that purpose.

Q. Do you think there is any Member of the Commission could tell this Committee any advantage the first method would have over the other?—A. I cannot say what they can tell you.

Q. You cannot answer that?—A. No.

Q. You had particularly to do with right-of-way matters?—A. True, with the western end.

Q. Who conducted these negotiations with Messrs. Kern & Matthews leading up to that purchase of the station grounds for the Transcontinental?—A. Mr. Johnson, Mr. Morton and myself.

Q. You shared the negotiations about equally, did you?—A. Oh, yes.

Q. You did?—A. That is the three of us were present.

Q. You think one did about as much as the other?—A. I would not like to say that I did the whole lot of it myself.

Q. You did a lot of it yourself, Mr. Johnson did a lot also?—A. Mr. Johnson was present at the time negotiations were going on.

Q. You gave evidence before this committee last year, did you not?—A. Yes.

Q. Did you not state in that evidence that Mr. Morton did all the work in connection with these negotiations?—A. For the Kern property?

Q. Yes?—A. No, sir.

Q. You did not state that Mr. Morton was the principal employee?—A. Mr. Morton has done the negotiating for the right-of-way.

Q. Did you not state that Mr. Morton was the principal man who conducted these negotiations for the Kern & Matthews property?—A. I don't recollect having said so.

Q. And that you did practically nothing?—A. That is not my recollection. I don't think the evidence will bear it out.



APPENDIX No. 1

*By Mr. Lennox:*

Q. The fact is you did the most of it yourself?—A. I generally do considerable talking if I am in a business of that kind. I was a commissioner.

Q. Then you were the responsible person who decided the matter, were you not?—A. I considered myself so, yes.

Mr. MEIGHEN.—That is all.

*By Mr. Carvell:*

Q. Are you in the habit of consulting Mr. Johnson about various matters with reference to the commission's work when you go to Winnipeg?—A. Very frequently, yes.

Q. Is he the only solicitor you have in Winnipeg?—A. Yes.

Q. Do the commissioners decide these matters of detail as to how many deeds shall be drawn for a parcel of land?—A. No, sir.

Q. Have you ever interfered in matters of that kind at all?—A. No, sir.

Q. Who looks after these matters of detail?—A. We have a man employed for that purpose, our law clerk.

Q. Was the matter ever brought to your attention as to whether there should be a deed for each  $\frac{1}{4}$  section, or for greater or lesser parcels of land?—A. No, sir.

Q. And you do not know today any reason why it was done, whether it was a benefit or not?—A. No, I do not.

Q. Of your own knowledge?—A. No.

Q. Was the matter ever referred to you in any way?—A. Not that I recollect, I do not think it ever was. I think the first time my attention was drawn to it was when this investigation came up.

Q. Do the commissioners decide upon what kind of plans shall be prepared for the right-of-way and placed in the hands of the solicitor?—A. No, sir, the engineers do that.

Q. That is none of your immediate business at all?—A. No.

Q. Do you know anything about the matter referred to this morning by Mr. Walker as to a fee of \$50 for services rendered by Mr. Johnson at Springfield?—A. I remember that case perfectly well. In order to make the yard workable the different road allowances running through the property had to be closed. We took the matter up with the Springfield council and they were to have a meeting. I forget the date, some distance from Winnipeg, some 16 or 18 miles, to pass a by-law allowing these roads closed. Anyone understanding the situation will realize that without closing these roads it would be impossible to maintain a yard across the property and leave the roads open. The commissioners, the chief engineer and myself went to Winnipeg to attend to that matter among others and when we arrived at Winnipeg we found it had been raining. I think for a couple of days, and the roads were in a terrible condition. They were so bad that it was almost impossible to get out to the meeting and we got Mr. Johnson to go himself and attend to it.

Q. Did the commissioners go?—A. No, sir, we did not.

Q. Why not?—A. Well, personally I did not care to undertake a drive of that kind over those roads at that time. The condition of the roads was such that anyone driving along would have to get out occasionally and get the mud out from between the spokes in order to keep the wheels from blocking altogether. In fact the roads were so bad that the parties opposing the passage of the by-law did not get there until after the whole matter was settled, so I understand, and the council had adjourned and was coming out to hitch up to go home. Mr. Johnson's fee, of I think \$50, was a very reasonable one in connection with the matter.

*By Mr. Meighen:*

Q. You do not wish to state that \$50 covered the legal expenses connected with

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the passing of that by-law, that was just one day's work?—A. I would not have taken a hundred and done that day's work.

Q. That day?—A. No.

Q. Of course, you get paid on a much higher scale, but you are aware that that by-law and the solicitor's fees cost many hundreds of dollars, are you not?—A. I am not aware what the total amount is.

Witness discharged.

Mr. MEIGHEN.—I move that the inquiry be now closed.

Motion agreed to.

Committee adjourned.

# APPENDIX





REPORT  
OF THE  
SELECT STANDING COMMITTEE  
ON  
PUBLIC ACCOUNTS  
COMPRISING  
REPORT OF SUB-COMMITTEE ON REVISION OF BALANCE SHEET  
OF 31st MARCH, 1908

*PRINTED BY ORDER OF PARLIAMENT*



OTTAWA  
PRINTED BY C. H. PARMELEE, PRINTER TO THE KING'S MOST  
EXCELLENT MAJESTY  
1909



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**MEMBERS COMPOSING THE SUB-COMMITTEE ON BALANCE SHEET.**

Mr. F. F. PARDEE, Chairman.

Mr. EDGAR N. RHODES.

Mr. HERBERT B. AMES.

Mr. F. B. CARVELL.

Mr. A. K. MACLEAN.





## REPORT

HOUSE OF COMMONS,  
COMMITTEE ROOM,  
WEDNESDAY, 12th May, 1909.

The Select Standing Committee on Public Accounts beg leave to present the following as their Twelfth Report:—

The Committee have had under consideration a report from the Sub-committee which they appointed to inquire into the desirability of revising the Balance Sheet of the Dominion, as shown in the Public Accounts for the fiscal year ended 31st March, 1908.

That Sub-committee report that they have made careful inquiry into the several items composing the said Balance Sheet, and have arrived at certain conclusions, which are set forth in their report herewith submitted.

The Committee advise that your Honourable House concur in the recommendations contained in the said report.

All which, with the proceedings of the Sub-committee, the evidence taken by them, and exhibits filed, are respectfully submitted for the consideration of your Honourable House.

A. H. CLARKE,  
*Chairman.*



## REPORT OF THE SUB-COMMITTEE ON BALANCE SHEET OF PUBLIC ACCOUNTS.

HOUSE OF COMMONS,  
COMMITTEE ROOM,  
TUESDAY, 11th May, 1909.

The Sub-Committee of the Select Standing Committee on Public Accounts, appointed for the purpose of revising the Balance Sheet of the Dominion, beg leave to report that they have carefully considered the several items set forth in the said Balance Sheet, as shown in the Public Accounts for the fiscal year ended the 31st March, 1908, and have taken evidence, received explanations and filed exhibits thereon from—

Mr. Fraser, Auditor General.  
Mr. Boville, Deputy Minister of Finance.  
Mr. Saunders, Accountant, Finance Department.  
Mr. Beddoe, Accountant, Interior Department.  
Mr. Seath, Secretary-Treasurer, Montreal Harbour Commission.  
Mr. Woods, Secretary-Treasurer, Quebec Harbour Commission.  
Mr. Balcer, Secretary-Treasurer, Three Rivers Harbour Commission.  
Mr. Butler, Deputy Minister of Railways and Canals.  
Mr. Pottinger, General Manager, Canadian Government Railways.  
Mr. Huggin, Accountant, P.E.I. Ry., Charlottetown, P.E.I.  
Mr. Shannon, Comptroller, Intercolonial Ry., Moncton, N.B.  
Mr. Little, Accountant, Railway Department, Ottawa.  
Mr. Senecal, Secretary-Treasurer, Montreal Turnpike Trust.  
Mr. Galibert, Chairman of Trustees, Montreal Turnpike Trust.  
Mr. Roy, Bookkeeper, Montreal Turnpike Trust.  
Mr. Parmelee, King's Printer.  
Mr. Gouldthrite, Superintendent of Stationery, Ottawa.  
Mr. Bell, Departmental Auditor, Railways, Ottawa.  
Mr. Stumbles, Statistician, Marine and Fisheries Department.

And have agreed to recommend that the items set forth in Part I., attached hereto, representing an amount of \$837,646.99 be eliminated from the Assets as set forth in the Public Accounts, and that, at the same time, the liability contained in Part II., namely, Bank of Upper Canada, Liquidation Account, \$363,889.26 be regarded as an offset in the case of the Bank of Upper Canada Advance, Trustee and Current Accounts, the net result of the operation being to increase the net debt, as set forth in the Public Accounts, 31st March, 1908, by the sum of \$473,757.73.

All which, with the proceedings of the Sub-committee, the evidence taken and exhibits filed, are respectfully submitted for the consideration of the Select Standing Committee.

F. F. PARDEE,  
*Chairman, Sub-Committee.*

HERBERT B. AMES.

F. B. CARVELL.

EDGAR N. RHODES.

A. K. MACLEAN.

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PART I.—Showing summary of Items to be eliminated from Assets, as set forth in the Public Accounts, 31st March, 1908, and recommendations thereto, after having heard the evidence and examined the exhibits produced.

1. Albert Railway Company, Loan Account, page 4. ....	\$	14,725	56
2. Consolidated Fund Investment—			
Bank of Upper Canada, Bank Stock. . . . .	\$	750	00
(a) Quebec Turnpike Trust. . . . .		20,000	00
(See exhibit A.)			
			20,750 00
3. Sundry Investments—			
(b) Quebec Harbour Debentures. . . . .		135,717	20
4. Bank of Liverpool, Liquidation, p. 6. . . . .		2,930	69
5. Bank of Upper Canada—Debits, page 6—			
Advance Account. . . . .		88,699	39
Trustee Account. . . . .		150,000	00
Current Account. . . . .		29,027	35
			267,726 74
6. Canadian Pacific Railway Open Account, page 6. ....		241	67
7. Exchange Bank, Liquidation Account, page 6. . . . .		67,337	03
8. Government Savings Bank, Defalcation, page 6. . . . .		25,728	13
9. Icelandic Immigration, page 6. . . . .		47,700	00
10. Militia Paymaster. . . . .		605	49
11. P.E.I. Ry., Open Account—			
Post Office Department. . . . .		5,457	51
Militia Department. . . . .		48	40
Anglo-American Telegraph Company. . . . .		46	43
			5,552 34
12. I.C.R., Open Account—			
Station Agents, p. 58. . . . .		1,204	28
Advances, p. 58. . . . .		75	55
Rents Ledger, p. 58. . . . .		3,479	15
Traffic Ledger, p. 67. . . . .		2,284	30
I. and C. Ledger, p. 61, &c. . . . .		148,714	23
			155,757 51
13. Printing Contractor, p. 6. . . . .		2,365	87
14. Rails Loan Account, p. 6—			
Kent Northern Railway, p. 123. . . . .		58,334	27
Halifax Cotton Company, Siding. . . . .		4,335	00
Canada Steel Company. . . . .		11,964	66
Albert Railway Company. . . . .		14,665	45
Low, Reid & Co. . . . .		1,056	61
			90,355 99
15. (c) Services and unpaid Speeches, p. 6. . . . .		152	77
Total for Part I.—Debit. . . . .	\$	837,646	99

PART II.—Item to be eliminated from Liabilities as set forth in the Public Accounts, 31st March, 1908, as appears at page 7 thereof.

16. Bank of Upper Canada, Liquidation Account. . . . .	\$	363,889	26
Total for Part II.—Credit. . . . .	\$	363,889	26

Recommendation of committee respecting: (a), (b) and (c):—

(a) Your committee recommend that the \$20,000 Quebec Turnpike Trust Bond be not regarded as an asset henceforth. (See exhibit A.)



## APPENDIX No. 1

(b) That entry of \$135,717.20 representing arrears of interest be struck from the amount under 'Sundry Investments' on account of Quebec Harbour Debentures and transferred to 'Interest Special Account.'

(c) That henceforth, arrears owing by Senators and Members of Parliament should, at the end of each Session, be deducted from the balance of their respective sessional indemnity, and that the King's Printer be instructed to notify the respective Accountants of the Senate and House of Commons in regard to such arrears.

Your Committee beg leave to make the following further recommendations:—

(1) That all the Departments in the Public Service be requested to submit a Statement and Valuation of the total properties belonging to the Crown under the jurisdiction of each department, and that such statements be laid before Parliament within fifteen days of the opening of next Session of Parliament, and thereafter every five years within such time of opening.

(2) Montreal Turnpike Trust.—That steps should be taken on behalf of the Trust to obtain authority from the Legislature of the province of Quebec to enable them to sell and dispose of the portions of the roads upon which the tolls have already been commuted; and also to divest themselves of any portions of the road for which they may commute the tolls in the future; that the amounts received in this way from the municipalities in payment be handed over to the Dominion for the purpose of the redemption of the bonds; and further, that any sums, received by the Trust from municipalities in commutation of tolls, be paid over to the Government from time to time towards the reduction of the interest due, and, further, that so long as the Trust is unable to pay their interest annually due the Government, the compensation of the Trustees should be limited to a sum, in all not exceeding six hundred dollars per annum exclusive of fees for attendance at meetings.

(3) Canadian Government Railways.—That the new Board of Management of Government Railways be granted discretionary power to write off, from time to time, uncollectable small amounts not exceeding \$100.

(4) Earl Selkirk's Mortgage, \$13,000.—That the Finance and Justice Departments take up the matter, find out the status of the account and arrive at a satisfactory solution. (See Exhibit A.)

(5) Interest Special Accounts.—Page 4—

Albert Railway Company loan.. . . .	\$ 9,264 27
Montreal Turnpike Trust.. . . .	17,062 50
Quebec Harbour debentures.. . . .	1,305,315 01
Three Rivers Harbour debentures.. . . .	40,364 39

Respecting these entries, your Committee recommend that inasmuch as they are incomplete calculations of interest, said entries should be reversed, and thus made to disappear from the Balance Sheet.

(6) Bank of Upper Canada, Special Account, \$1,150,000.01.—That this entry as set forth at page 6, which is not now regarded as an asset, be removed from the Balance Sheet.

Respectfully submitted,

F. F. PARDEE,

*Chairman of Committee.*

HERBERT B. AMES,

EDGAR N. RHODES,

F. B. CARVELL,

A. K. MACLEAN.



- (1) INDEX TO PROCEEDINGS OF SUB-COMMITTEE  
ON BALANCE SHEET,**
- (2) PROCEEDINGS OF SUB-COMMITTEE ON BAL-  
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LIC ACCOUNTS.**





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## PROCEEDINGS OF THE SUB-COMMITTEE.

*(Extract from the Minutes of a Meeting of the Public Accounts, held on Wednesday, 24th March, 1909.)*

On motion of Mr. Ames, it was resolved, that a Sub-committee, consisting of Messieurs Ames, Carvell, Maclean (Lunenburg), Pardee and Rhodes, be appointed to examine the items of the Balance Sheet, and report thereon, and that the Chairman of the Standing Committee be authorized to summon such witnesses and send for such papers as the Sub-committee may require.

Attest, THOS. S. HOWE,  
Clerk of Committee.

HOUSE OF COMMONS,  
COMMITTEE ROOM,  
FRIDAY, 26th March, 1909.

The Sub-committee of the Select Standing Committee on Public Accounts appointed for the purpose of revising the Balance Sheet of the Dominion, met at 11 o'clock a.m.

Present: Mr. Ames, Mr. Pardee and Mr. Rhodes.

On motion of Mr. Ames, Mr. Pardee was elected Chairman.

Mr. Boville, Deputy Minister of Finance, was in attendance.

The Sub-committee proceeded to the consideration of the Balance Sheet, as shown in the Public Accounts, for the fiscal year ended 31st March, 1908, in reference to which Mr. Boville was called to give the Sub-committee explanations, in a general way, respecting the several items set forth.

The secretary of the Sub-committee was instructed to write to the following departments for statements in reference to respective items set forth, and to request that a proper officer of the department concerned be prepared to appear before the Sub-committee, and to offer evidence thereto:—

The Department of Interior, respecting item for Icelandic immigration, at page 6.. . . .	\$47,700 00
The Department of Interior, respecting item for Manitoba Swamp Lands Commission, page 6.. . . .	55,478 22
The King's Printer, respecting item for stationery, page 6.. . . .	201,568 09
The Department of Railways and Canals, respecting items—	
Rails Loan Account, page 6.. . . .	90,355 99
I. C. R., Windsor Branch, Stores account.. . . .	49,195 40

The Department of Railways and Canals, respecting Sessional Papers, 67b, part 1, of Thursday, 4th March, 1909. And Stock Sheet of Government Railways to 31st March, 1908.

Ordered: that the Department of Finance be requested to prepare a memorandum in reference to the several items set forth in Balance Sheet at pages 4 to 9, inclusive, and that the department's recommendations be added thereto.

Further consideration of the Balance Sheet was then postponed until Thursday, 1st April next, at 11 o'clock, a.m., and the Committee adjourned.

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HOUSE OF COMMONS,  
COMMITTEE ROOM,

THURSDAY, 1st April, 1909.

The Sub-committee did not proceed to the consideration of the Balance Sheet for want of a quorum. The chairman, Mr. Pardee, and Mr. Ames being the only members present.

HOUSE OF COMMONS,  
COMMITTEE ROOM,

THURSDAY, 15th April, 1909.

The Sub-committee met at 11 o'clock, a.m.

Present: Mr. Pardee, Chairman, presiding.  
Mr. Ames and Mr. Rhodes.

In attendance: Mr. Fraser, Auditor General.

Mr. Beddoe, Superintending Accountant of the Interior Department.

Mr. Saunders, Accountant, Finance Department.

The Sub-committee proceeded to the consideration of the item respecting Manitoba Swamp Lands Commission as set forth at page 6 of Balance Sheet, amounting to \$55,478.22. In reference to said item, Mr. Beddoe was examined, his evidence taken in shorthand, and a written statement submitted by witness was ordered to be filed—See Exhibit B. This asset was considered perfectly good.

Proceeding to the item of Icelandic Immigration as set forth at page 6, amounting to \$47,700, a written statement was submitted. Explanations were offered by Mr. Fraser and Mr. Beddoe, and after careful consideration, the Sub-committee decided to report the elimination of said item from Balance Sheet. (See Exhibit C.)

*Memorandum of Finance Department.*

By direction of the Deputy Minister of Finance, Mr. Saunders submitted a written statement including a memorandum, schedule 'A,' respecting sundry assets, as shown in Balance Sheet of the Dominion of Canada on the 31st March, 1908, and which were taken into account, in arriving at the net debt of the Dominion, viz.: \$277,960,859.84. (See Exhibit A.)

Proceeding to the consideration of items respecting:—

Seed grain to settlers.. . . .	\$3,999 95
Seed grain advances, 1895.. . . .	8,074 13

The Sub-committee received explanations from the Auditor General, and Mr. Beddoe thereto. The history of said advances as contained in 'Exhibit A' were carefully examined, and considered as assets perfectly good and collectable.

*Uncollectable Items.*

The Sub-committee next resumed the consideration of uncollectable items, when Mr. Fraser and Mr. Saunders were called to give explanations thereto; and the following items were recommended to be struck out of the Balance Sheet:—

Militia Paymaster.. . . .	\$ 605 49
Services and unpaid speeches.. . . .	152 77
Printing contractor.. . . .	2,365 87
Government savings bank, defalcation account.. . . .	25,728 13
Exchange Bank, liquidation account.. . . .	67,337 03
Bank of Liverpool, liquidation account.... . . .	2,930 69
Canadian Pacific Railway, open account.. . . .	241 67



## APPENDIX No. 1

## Bank of Upper Canada, items at debit—

Advance account.. . . . .	\$ 88,699 39
Trustee account.. . . . .	150,000 00
Current account.. . . . .	29,027 35
	<hr/>
	\$267,726 74
and item at credit.. . . . .	\$363,889 26

*Collectable Items.*

On resuming the consideration of items set forth at pages 4 and 6 of Balance Sheet, and taking into account the explanations given by Mr. Fraser, and the statements thereof contained in 'Exhibit A,' the Sub-committee resolved to report the following items as perfectly good assets:—

Sinking funds, page 4.. . . . .	\$42,250,209 01
Province accounts,—6.. . . . .	4,033,705 49
Bank of Montreal, special account.. . . . .	9,851 51
Bank of Montreal, special account (advance on account of movement of crops).. . . . .	940,000 00
Bank of Ottawa, special account.. . . . .	1,083,551 88
Bank of Toronto, special account.. . . . .	1,056,629 08
Bank of Montreal, provincial notes, suspense account.. . . . .	28,431 33
Calgary and Edmonton Railway, special account.. . . . .	1,668,322 92
Cash suspense.. . . . .	28,594 92
Canadian Bank of Commerce, special account.. . . . .	1,099,347 58
Canadian Northern Railway, special account.. . . . .	764,519 00
Canadian Pacific Railway, land grant security, special account.. . . . .	56,006 66
Merchants Bank of Canada, special account.. . . . .	973,201 48
Qu'Appelle, Long Lake and Saskatchewan Railway, special account.. . . . .	1,868,524 05
St. John Bridge and Railway Extension Company.. . . . .	433,900 00
Silver 20c.—to be recoined.. . . . .	17,822 80
Seed grain advances, 1908, Dominion Government.. . . . .	314,896 41
Seed grain advances, 1908, Saskatchewan Government.. . . . .	795,236 36
Seed grain advances, 1908, Alberta Government.. . . . .	397,618 18

*Summons to Secretaries of Harbour Commissions.*

The Sub-committee ordered that the following respective secretaries of Harbour Commissions be summoned for attendance on Tuesday, 20th April, next:—

Mr. David Seath, Montreal Harbour Commission, respecting item set forth at page 4, of Balance Sheet, \$9,225,000.

Mr. James Woods, Quebec Harbour Commission, respecting item set forth at page 4, of Balance Sheet, \$4,137,956.22.

Mr. George Balcer, Three Rivers Harbour Commission, respecting item at page 4, of Balance Sheet, \$81,760.97.

And that they be requested to bring such papers and documents with them, as will elucidate the consideration of respective items.

*Summons to Government Railway Officials.*

Ordered: that Mr. Pottinger, General Manager, Canadian Government Railways, Moncton, N.B.; Mr. Shannon, Comptroller of the Intercolonial Railway, Moncton,

N.B.; Mr. Huggin, accountant, Prince Edward Island Railway, Charlottetown, P.E.I., be summoned for attendance before this Sub-committee on the 22nd April, next; and that they be requested to bring such papers and documents with them as will elucidate the consideration of the following items set forth at page 6 of the Balance Sheet:—

Intercolonial Railway, Open account.. . . .	\$ 965,418 53
“ “ Stores account.. . . .	1,365,935 64
“ “ Windsor Branch, Stores account	49,195 40
“ “ “ Open account.	180 34
Prince Edward Island Railway, Open account.. . . .	19,687 41
“ “ “ Stores account.. . . .	81,515 90

Further consideration of the Balance Sheet was postponed until Tuesday, 20th April, next.

HOUSE OF COMMONS,  
COMMITTEE ROOM,

TUESDAY, 20th April, 1909.

The Sub-committee met.

Present: Mr. Pardee, Chairman, presiding.

Mr. Ames, Mr. Maclean (Lunenburg), and Mr. Rhodes.

In attendance: Mr. Fraser, Auditor General.

Mr. Boville, Deputy Minister of Finance.

Mr. Saunders, Accountant, Finance Department.

In accordance with the order of the Sub-committee, Mr. David Seath, Secretary Treasurer, of the Montreal Harbour Commission; Mr. James Woods, Secretary-Treasurer, of the Quebec Harbour Commission; and Mr. George Balcer, Secretary-Treasurer, of the Three Rivers Harbour Commission, were present.

The Sub-committee proceeded to the consideration of items set forth at page 4 of Balance Sheet under 'Sundry Investments' in reference to the Harbour Commissions at Montreal, Quebec and Three Rivers, respectively, amounting to \$9,225,000, \$4,137,956.22, \$81,760.97.

Mr. Seath was examined in reference to the Montreal Harbour Commission—(evidence taken in short hand). Statements produced by witness, and described as follows were filed:—

(See Exhibit D.)

Statement (1) of Capital Expenditure as appearing in the books of the Secretary-Treasurer on 31st December, 1908, on account of which debentures have been issued.

(See Exhibit E.)

Statement (2)—List of Harbour Debentures, held by the public.

(3)—List of Harbour Debentures, held by the government.

(See Exhibit F.)

Statement (4)—Summarized statement of operations for the year ended 31st December, 1908.

Said statements were relatively compared with statements of Finance Department as contained in Exhibit A. The Sub-committee considered the assets thereto absolutely unassailable, and the witness was discharged.

Proceeding to the item of the Quebec Harbour Commission, Mr. Woods was examined in reference thereto—(his evidence being likewise taken in shorthand). Statements produced by witness, and described as follows, were filed:—

## APPENDIX No. 1

Statement (1)—Valuation of real estate property of the Quebec Harbour Commissioners. (See Exhibit G.)

Statement (2)—Valuation of the warehouses, sheds, &c., of the Quebec Harbour Commissioners. (See Exhibit H.)

Ordered,—That the Finance Department, and the Secretary of the Quebec Harbour Commission, prepare written statements showing: (a) Total of bonds held; (b) advances made; and (c) arrears of interest up to 31st March, 1908. (See Exhibits I and J.)

Witness retired.

Proceeding to the next item under consideration, Mr. Balcer, Secretary of the Three Rivers Harbour Commission, was examined in reference thereto, and evidence taken.

Ordered,—That the Finance Department, and the Secretary of the Three Rivers Harbour Commission, prepare similar statements, as was ordered, respecting the Quebec Harbour Commission. (See Exhibits K and L.)

Further action, respecting items under consideration, was suspended to await the supplementary statements requested.

Witness retired.

*Summons to Officer of Railway Department, and to King's Printer.*

Ordered,—That Mr. Little, Accountant, Railway Department, be requested to attend before this Sub-committee on Tuesday, the 27th April, in reference to items:—

Albert Railway Company, Loan Account, page 4. . . . .	\$14,725 56
Rails, Loan Account, page 6. . . . .	90,355 99

Ordered,—That the King's Printer be requested to attend before this Sub-committee on Thursday, the 29th April, in reference to item:—

King's Printer, stationery, page 6. . . . .	\$201,568.09
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Further consideration of the Balance Sheet was postponed until Thursday, 22nd April, and the Sub-committee then adjourned.

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HOUSE OF COMMONS,  
COMMITTEE ROOM,  
THURSDAY, 22nd April, 1909.

The Sub-committee met at 11 o'clock a.m.

Present: Mr. Pardee, Chairman, presiding.  
Mr. Ames, and Mr. Rhodes.

In attendance: Mr. Fraser, Auditor General.  
Mr. Boville, Deputy Minister of Finance.  
Mr. Saunders, Accountant, Finance Department.

In accordance with the order of the Sub-committee, Mr. Pottinger, Mr. Shannon, and Mr. Huggin were present to give evidence.

The Sub-committee proceeded to the consideration of items respecting the government railways, set forth at page 6, of Balance Sheet.

*Prince Edward Island Railway, Stores Account, \$81,515.90.*

Ordered,—That the Auditor General be requested to prepare a written statement, respecting totals that can be made up from the 'Canada Gazette' in reference to Stores Balances, for each of the twelve months preceding 31st March, 1909. (See Exhibit M.)

8-9 EDWARD VII., A. 1909

Mr. Huggin was examined, and evidence taken:—

Ordered,—That the management of the Prince Edward Island Railway prepare a statement, showing the total of Stock Sheet for the year ending 31st March, 1909, and that it be forwarded for use by this Sub-committee ten days hence. (See Exhibit N.)

*Prince Edward Island Railway, Open Account, \$19,687.41.*

Mr. Pottinger was examined, and evidence taken—

Ordered,—That the Post Office Department, and the management of the Prince Edward Island Railway, be each requested to furnish this Sub-committee with a written statement in reference to a disputed account, amounting to \$5,457.51; and that said statements be submitted to the Law Officers of the Crown for adjudication. (See Exhibits O and OO.)

Ordered,—That the Militia and Defence Department, and the management of the Prince Edward Island Railway, be requested to furnish this Sub-committee with a written statement, respecting a disputed account, amounting to \$48.40; and that said statements be submitted to the Law Officers of the Crown for adjudication. (See Exhibits P and PP.)

*Anglo-American Telegraph Company, \$46.43.*

Prince Edward Island Railway against the Anglo-American Telegraph Company, a disputed account, amounting to \$46.43, accrued in 1876 and 1878:—

Ordered,—That this item be written off.

*Special Train, \$30.*

Prince Edward Island Railway, open account, against His Honour Judge Weatherbee, an account of April, 1880:—

Recommendation,—That said amount of \$30 be deducted from His Honour's next Pension cheque.—(See evidence, page 130 and proceedings of 11th May.)

*Uncollectable Small Accounts.*

Recommendation,—That the managements of the Intercolonial and Prince Edward Island Railways be granted authority to write off to the extent of \$25 and \$10, respectively, what they consider to be uncollectable small accounts, and subject to the approval of the Auditor General—(See Proceedings of Sub-committee, 5th May, for revised recommendation.)

*Albert Railway Company, Loan Account, \$14,725.56.*

Proceeding to the consideration of item, set forth at page 4, respecting the Albert Railway Company Loan Account, Mr. Saunders, and Mr. Shannon were examined. Further action deferred to await the examination of Mr. Butler, and Mr. Little.

It being 12.45 o'clock, the Sub-committee rose to meet at four o'clock, p.m.

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## APPENDIX No. 1

HOUSE OF COMMONS,  
COMMITTEE ROOM,  
THURSDAY, 22nd April, 1909.

The Sub-committee resumed at four o'clock.

Present: Mr. Pardee, chairman, presiding.

Mr. Ames, Mr. Maclean (Lunenburg), and Mr. Rhodes.

In attendance: Mr. Fraser, Mr. Saunders.

Witnesses: Mr. Pottinger, Mr. Shannon, Mr. Morton.

The Sub-committee proceeded to the consideration of the Intercolonial Railway, Open Account, when item respecting 'Station Agents,' as set forth at page 58, part 111, was taken up.

### INTERCOLONIAL RAILWAY, OPEN ACCOUNT, PAGE 6, \$965,418.53.

*Station Agents, (See page 58, pt. III.)—\$1,204.28.*

Mr. Shannon, and Mr. Morton were examined—

Ordered,—That the following amounts be deducted:—

Freight charges disputed, <i>re</i> Campbellton station.. . . .	\$641 95
“ “ Piles refused by consignee.. . . .	480 16
Matapedia Station—	
C. P. Talon account.. . . .	82 17
	<hr/>
	\$1,204 28

*Advances, (See page 58, pt. III.)—\$75.55.*

Mr. Pottinger, and Mr. Shannon were examined.

Ordered,—that the following amounts be deducted:—

Geo. Skeffington account.. . . .	\$25 55
J. W. J. McConnell account.. . . .	50 00
	<hr/>
	\$75 55

*Rents Ledger, (See pages 58, 59, 60, 61, pt. III.)—\$3,479.15.*

Mr. Pottinger, and Mr. Shannon were examined.

Ordered,—That the several accounts contained in statement produced and carefully examined, and amounting to \$3,479.15 be deducted. (See Exhibit Q.)

*Individual and Company Ledger, \$148,714.23.—(pages 61, &c.)*

Mr. Pottinger and Mr. Shannon were examined.

Ordered,—That the several items subsequently compiled, from the evidence received, into a list, by the Secretary of the Sub-committee and Mr. R. W. Simpson of the Intercolonial staff of officers—amounting to \$148,714.23, be deducted.—(See Exhibit QQ.)

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The following items were then partly examined, and ordered to stand, owing to additional information being required:—

Caraquet Railway, in the hands of Railway Department, \$20,522.54.

National Labour Congress, further correspondence ordered, \$446.40.

J. Norris & Co., \$22.22; Purcell & Fallon, \$245.57; Tobique Valley Railway, \$2,739.25.

Department of Militia and Defence, balance of a continuous account, amounting to \$1,776.47. Postponed for further consideration.

A. N. Whitman & Son, \$150. Resolved that management of the Intercolonial Railway should proceed against Lantallum and collect.

It being six o'clock the Sub-committee rose to meet again at 8.30 o'clock p.m.

HOUSE OF COMMONS,  
COMMITTEE ROOM,  
THURSDAY, 22nd April, 1909.

The Sub-committee resumed at 8.30 o'clock p.m.

Present: Mr. Maclean (Lunenburg), in the Chair.

Mr. Ames, Mr. Rhodes.

In attendance: Mr. Fraser, Mr. Boville, and Mr. Saunders.

Witnesses: Mr. Pottinger and Mr. Shannon.

*Public Works Department—Account, \$14,814.*

On resuming the consideration of items, under the heading of 'Individual and Company Ledger' relative to the Intercolonial Railway, Open Account, the Sub-committee examined an item, respecting the Department of Public Works, made up of particulars as follows, and amounting to \$14,814:—

Deals supplied at Halifax.. . . .	\$ 7 00
Coal supplied at Rimouski.. . . .	102 00
Restigouche Highway Bridge (River Matapedia).. . . .	14,705 00
	<hr/>
	\$14,814 00

Mr. Pottinger and Mr. Shannon gave evidence thereto: It was ordered, that the Intercolonial Railway Management be requested to place its estimate of the cost in writing.—(See Exhibit R.)—And that the Secretary of the Sub-committee communicate with the Department of Public Works in reference to non-payment of said account.—(See Exhibit RR.)—Further ordered, that the two communications be referred to the Law Officers of the Crown for a speedy decision.

*Balances' Standing of Branch Railways relative to Intercolonial Traffic.*

Ordered,—That the Management of the Intercolonial Railway submit to this Sub-committee a written statement, showing the balances' standing at the end of each fiscal year, for the last five years, against the various branch railways in Quebec, New Brunswick and Nova Scotia, who have immediate dealings with the Intercolonial Railway.—(See Exhibit S.)

*Purcell & Fallon Account, \$245.57.*

Upon further investigation, reported by witness, respecting item of Purcell & Fallon, amounting to \$245.57, said item was ordered to be written off.

## APPENDIX No. 1

*Steamer 'Mintot' Account, \$268.14 (I. & C. Ledger, p. 65.)*

Ordered,—That the management of the Intercolonial Railway state its claims in writing, and that the secretary of the Sub-committee write the Marine and Fisheries Department, asking them to prepare a written statement as to why this claim has not been paid; then, have the two statements submitted to the Law Officers of the Crown to adjudicate the matter. (See Exhibits SS, and evidence of Mr. Stumbles, Statistician, of Marine and Fisheries Department, 4th May, p. 196.)

*Traffic Ledger Items, page 67, Pt. III, \$2,284.30.*

Proceeding to the consideration of items under the heading of 'Traffic Ledger' relative to the Intercolonial Railway, Open Account, Mr. Shannon was examined.

Ordered,—That the following items be deducted:—

Beaver Line Steamers, account....	\$1,156 13
Boston, Halifax & P.E.I. SS. Company....	29 23
Hatheway Line....	11 10
Miller, Wm.....	258 43
McCuaig, R. C. W.....	522 78
St. Lawrence Steamboat Company....	255 33
World Travel Company..	51 30
	<hr/>
	\$2,284 30

*I.C.R., Windsor Branch, Open Account, \$180.34 page 6, Pt. I.*

Mr. Shannon submitted in evidence, that the amount as set forth on page 6, relative to the Windsor Branch, Open Account, should be decreased by \$45.01 and that same be added to the Windsor Branch, Stores Account, making the two accounts respectively stand as \$135.33 and \$49,240.41, instead of \$180.34 and \$49,195.40.

*Dominion Atlantic Railway Kentville, N.S., Account, \$135.33.*

Ordered, that a written estimate of claim be furnished this Sub-committee by the Intercolonial Railway management, and the secretary of the Sub-committee communicate with the Dominion Atlantic Railway, respecting their reasons for non-payment thereof. (See Exhibits T & TT.)

*Department of Militia and Defence, \$1,776.47.*

Proceeding to the consideration of item 'Department of Militia and Defence, as set forth at page 62, Part III., amounting to \$6,708.82, Mr. Shannon was examined thereto. It was ordered, that the management of the Intercolonial Railway furnish this Sub-committee with a written estimate of its claims thereof, and the secretary to communicate with said department as to reasons for non-payment. That said two statements be submitted and adjudicated upon by the law officers of the Crown. (See Exhibits U & UU.)

*Intercolonial Railway, Stores Account p. 6, Pt. I., \$1,365,935.65.*

Mr. Pottinger was examined:—

Witness produced a summarized statement, showing the amount of stock taken at end of fiscal year 31st March, 1903. (See Exhibit Va.)

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Witness then proceeded to explain the difference in amount, as set forth at page 6 of Public Accounts, and amount as shown in summarized statement produced, namely, \$143,738.24. The stores entries of summarized statement were further minutely examined, and evidence heard thereto, relating to roadway and bridge material, mechanical stores, fuel stores and stationery.

*Superintendent Third Division, \$1 052.54.*

Witness produced document which explains entry thereof in stores account. (See Exhibit Vb.)

*I.C.R., Windsor Branch, Stores Account, \$49,195.40, p. 6, Pt. I.*

Mr. Pottinger's examination was continued:—

An itemized statement in reference to Windsor Branch Stores account, produced by witness, amounting to \$49,438.17, and signed by T. C. Burpee, was examined. (See Exhibit V.V.)

Witness retired.

*Summons to Montreal Turnpike Trust.*

Ordered, that Mr. L. H. Senecal, secretary-treasurer of the Montreal Turnpike Trust, be summoned for attendance on Tuesday, 27th April, at 11 o'clock a.m.

Further consideration of the Balance Sheet was postponed until Tuesday, 27th April, and the Sub-committee adjourned.

HOUSE OF COMMONS,  
COMMITTEE ROOM.

TUESDAY, 27th April, 1909.

The Sub-committee met at 11 o'clock a.m.

Present: Mr. Pardee, Chairman, presiding.

Mr. Ames, Mr. Carvell, Mr. Maclean (Lunenburg), and Mr. Rhodes.

In attendance: Mr. Fraser, Auditor General.

Mr. Boville, Deputy Minister of Finance.

Mr. Butler, Deputy Minister of Railways and Canals.

Witnesses present: Mr. Little, Accountant, Railway Department, Ottawa.

Mr. Senecal, Secretary-Treasurer, Montreal Turnpike Trust.

The Sub-committee proceeded to the consideration of item under 'Sundry Investments,' page 4, Pt. I. of Balance Sheet.

*Albert Railway Company, Loan Account \$14,725.56.*

Mr. Little was examined in reference to the security thereof held by the government.

Mr. Carvell gave explanations to the Sub-committee regarding the sale of said railway by order of the Supreme Court of New Brunswick.

Mr. Boville showed the Sub-committee a copy of the mortgage.

The secretary was instructed to record the following as the finding arrived at:—



## APPENDIX No. 1

The committee find that there was a first mortgage on this railway under which it was sold, and apparently the assets of the company were sold; and thereby, the lien of security, held by the government, entirely disappeared.

Recommendation of the Sub-committee was postponed at request of Mr. Carvell to await additional information.

*Rails Loan Account, page 6, \$90,355.99. (See Exhibit A.)*

Mr. Boville was examined in reference to the information contained in memorandum submitted by the Finance Department.

Mr. Fraser, Auditor General, was called as witness to give evidence respecting an Order in Council passed on the 21st September, 1899, in reference to the Kent Northern Railway of New Brunswick. (For copy of Order in Council, see Exhibit W.)

Upon instructions given by Mr. Ames, the secretary of the Sub-committee took down the following memo. to be recorded in the proceedings:—

The committee recommend that Parliament be asked to ratify the memorandum dated 16th September, 1899, from the Minister of Railways and Canals, submitted to and passed by Council the 21st September, 1899, in respect of the Kent Northern Railway of New Brunswick, amounting to \$58,334.27, thus transferring from the Debit Subsidy Account to the Credit of Rails Loan Account, said amount. (For memorandum of 16th September, 1899, see evidence page 157.)

Further consideration of item. respecting Rails Loan Account, was postponed to await Mr. Butler's return.

The Sub-committee then proceeded to the consideration of item, respecting the Montreal Turnpike Trust, as set forth at page 4, Part I., of Balance Sheet, and amounting to \$195,000.

*Montreal Turnpike Trust, \$195,000.*

Mr. Senecal was called and examined:—

Evidence was taken respecting debentures issued in 1895, to the amount of \$195,000.

Witness was requested to furnish the following information to the Sub-committee.—

1. Statement showing receipts and disbursements of Montreal Turnpike Trust, for each year, since the new issue of debentures, in 1895. (See Exhibit Xa.)

2. Statement showing assets and liabilities for each year since 1895. (See Exhibit Xb.)

3. Statement showing commissioners' fees, services, &c., for the same period. (See Exhibit Xc.)

Ordered, that Mr. Paul Galibert, chairman of trustees, and Mr. J. E. Roy, book-keeper, be summoned for attendance before this Sub-committee on Friday, 30th April, instant, at the hour of eleven o'clock a.m.

It being 12.45 o'clock, the Sub-committee rose to meet again at four o'clock p.m.

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HOUSE OF COMMONS,  
COMMITTEE ROOM,  
TUESDAY, 27th April, 1909.

The Sub-committee met at four o'clock p.m.

Present: Mr. Maclean (Lunenburg) in the Chair.  
Mr. Ames, Mr. Carvell, and Mr. Rhodes.

In attendance: Mr. Butler, Deputy Minister of Railways and Canals.  
*Kent Northern Railway of New Brunswick, \$58,334.27.*

The Sub-committee resumed the consideration of item, Rails Loan Account, as set forth at page 6 of Balance Sheet, Part I:—

Mr. Butler was recalled for examination thereto.

In reference to loan of old rails to the Kent Northern Railway of New Brunswick, witness gave evidence, respecting a resolution passed by the House of Commons in 1888; also respecting a grant under the Subsidy Act, 1888, and an account due the Intercolonial stores, amounting to \$17,749.77. A further examination of the Order in Council passed in 1899 was made. (See Exhibit W.)

The Sub-committee resolved, that the Railway Department be instructed to proceed with the collection of \$5,682.98.

*Halifax Cotton Company, Siding, \$4,335, p. 123, Pt. I.*

Mr. Butler submitted evidence thereto.  
Ordered,—That said item be written off.

*Albert Railway Company, \$14,665.45, p. 123, Pt. I.*

Ordered,—That said item be written off.

*Canada Steel Company, \$11,964.66, p. 123, Pt. I.*

Mr. Butler's examination continued.  
Ordered,—That said item be written off.

*Low Reid & Co., \$1,056.61, p. 123, Pt. I.*

Ordered,—That said item, the last under Rails Loan Account, be written off.  
Witness retired.

Further consideration of the Balance Sheet was postponed, and the Sub-committee adjourned, to meet again on 29th April instant.

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HOUSE OF COMMONS,  
COMMITTEE ROOM,  
THURSDAY, 29th April, 1909.

The Sub-committee met at 11 o'clock a.m.

Present: Mr. Pardee, Chairman, presiding.  
Mr. Ames, and Mr. Carvell.

In attendance: Mr. Fraser, Auditor General.  
Mr. Boville, Deputy Minister of Finance.  
Mr. Saunders, Accountant, Finance Department.

Witnesses present: Mr. Parmelee, King's Printer.  
Mr. Gouldthrite, Superintendent of Stationery.

## APPENDIX No. 1

*King's Printer Stationery, \$201,568.09, p. 6, Pt. I.*

The Sub-committee proceeded to the consideration of item, as set forth in Balance Sheet, page 6, respecting King's Printer, stationery, amounting to \$201,568.09, when Mr. C. H. Parmelee, King's Printer, was called for examination.

Witness submitted inventory books respecting said amount.

Mr. Boville gave explanations respecting advances made by the government under special statute.

Mr. Fraser gave explanations respecting authority given to purchase of stock by the King's Printer, and the practice followed as to the distribution of stationery to the various departments of the public service; also, as to its value as an asset.

Mr. Gouldthrite was then called for examination.

Evidence taken, respecting the several articles which make up the stationery list in stock, testing of paper, and stock taking.

The assets thereof, as set forth, were considered satisfactory.

Witness retired.

*Albert Railway Company Loan, \$14,725.56.*

On resuming the consideration of the Albert Railway Loan Account, Mr. Boville, Deputy Minister of Finance, gave evidence respecting further investigation thereto by witness. (See evidence of 22nd April, eleven o'clock sitting of Sub-committee; also evidence taken the 27th April instant at sitting of eleven o'clock.) The result of the investigation made by witness as set forth in the evidence, now heard, confirms the decision of Sub-committee as to recommendation previously made, namely, that said items respecting the Albert Railway Company, Loan Account, amounting to \$14,725.56 be written off the Balance Sheet.

Witness retired.

Further consideration postponed, and Sub-committee adjourned.

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HOUSE OF COMMONS,

COMMITTEE ROOM,

FRIDAY, 30th April, 1909.

The Sub-committee met at 10.30 o'clock a.m.

Present: Mr. Pardee, Chairman, presiding.

Mr. Ames, Mr. Carvell, and Mr. Rhodes.

In attendance: Mr. Fraser, Auditor General.

Mr. Boville, Deputy Minister of Finance.

Mr. Saunders, Accountant, Finance Department.

Witnesses present: Mr. Galibert, chairman of Trustees, Montreal Turnpike Trust.

Mr. Roy, Bookkeeper, Montreal Turnpike Trust.

Mr. Pottinger, General Manager, Canadian Government Railways.

*Bank of Upper Canada, Bank Stock, \$750.*

On further evidence being submitted by the Deputy Minister of Finance, respecting the Bank of Upper Canada accounts, it was resolved to recommend the elimination, from Consolidated Fund Investment Account, of an entry, amounting to \$750, for bank stock relative to accounts of said bank as set forth at page 6, of Balance Sheet.

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*Montreal Turnpike Trust, \$195,000, page 4, Pt. I.*

The Sub-committee proceeded to the consideration of item respecting the Montreal Turnpike Trust, when Mr. Boville was heard in reference to debentures held by the government, and consequent obligations of the Trust thereto; also in reference to the carrying out of said obligations and arrangement, subsequently arrived at, for the redemption and cancellation of certain debentures to be replaced by debentures, issued under a legislative enactment of the province of Quebec, setting forth the present status of the item under consideration.

Mr. Galibert was next called for examination, in reference to arrears of interest due the government since 1897; maintenance of roads and bridges; expenses of administration; revenue and collections; tolls commuted to municipalities, and legislation required to collect certain moneys.

Witness submitted a written statement as previously requested, showing (Statement filed, see Exhibit X):—

1. Receipts and expenditures, from 1st January, 1895, to 31st December, 1908;
2. Assets and liabilities for the same period of time;
3. Fees, &c., paid to commissioners, from 1895 to 1908, inclusive;
4. Parts of the roads ceded to municipalities to date.

Mr. Roy, on being called, gave evidence in reference to original holders of the Trust.

After further deliberation, and examination of statement filed, the Sub-committee resolved upon a recommendation to be made to the Select Standing Committee and Parliament. (See No. 2 of further recommendations presented with Twelfth Report of Committee on Public Accounts, the 14th May, 1909, as per Votes and Proceedings.)

*Earl Selkirk's Mortgage, \$13,900, page 213 of Exhibit A.*

Mr. Boville and Mr. Saunders gave evidence thereto.

In addition to information contained in memorandum (Exhibit A), witness Saunders read from files in possession of the Department of Indian Affairs, respecting printed extracts from certain instruments registered in the books of the registrar at Cayuga, Ontario, on 24th of January, A.D. 1821, said extracts referring to a block of land of 30,800 acres, which was an original grant from the Crown to the Earl of Selkirk.

Requested,—That further inquiry be instituted thereto.

*Quebec Turnpike Trust, \$20,000, page 212 of Exhibit A.*

Proceeding to the consideration of item under Consolidated Fund Investment Account, in reference to the investment of \$20,000 in the Quebec Turnpike Trust, the Deputy Minister of Finance gave evidence thereto, respecting the appointment of trustees in 1841; also, regarding the loan made by the government of the province of Canada to the said Trust, in 1861, the transfer of bond securities at Confederation to the Dominion government, in reduction of debt of the old province of Canada, and non-payment of interest thereon.

Recommended.—That this \$20,000 bond be not taken henceforth as an asset in the Balance Sheet. (See Recommendation (a) in Report.)

*Grand Trunk Railway Third Preference Stock, \$121,739.65, p. 212, Exhibit A.*

On consideration of next item under Consolidated Fund Investment Account, respecting Grand Trunk Railway Third Preference Stock the examination of Mr. Boville was continued.



## APPENDIX No. 1

Mr. Rhodes submitted that the committee should recommend a valuation of said stock.

Resolved by Sub-committee,—That all the departments, in the public service, be requested to make a valuation of the properties belonging to the Crown. (See No. 1 Recommendation in Report, p. 11.)

*Interest Special Accounts, page 4, Pt. I.*

Albert Railway Company loan.. . . .	\$ 9,264 27
Montreal Turnpike Trust.. . . .	17,062 50
Quebec harbour debentures.. . . .	1,305,315 01
Three Rivers harbour debentures.. . . .	40,364 39
	<hr/>
	\$1,372,006 17

Respecting items, as above enumerated amounting to \$1,372,006.17, witness submitted that these were incomplete calculations of interest.

Recommendation,—That inasmuch as these entries, under "Interest Special Accounts," page 4 of Public Accounts, are incomplete calculations of interest, said entries should be reversed and thus made to disappear from Balance Sheet. (See Recommendation (5) in Report.)

*Intercolonial Railway Statements of Claims produced.*

The Sub-Committee resumed the consideration of certain accounts of the Intercolonial Railway, in reference to which, written estimates of claims had been ordered by this committee on the 22nd April instant.

Mr. Pottinger was recalled for examination thereto.

Statement of claim, against the Department of Public Works, amounting to \$14,814, was examined, and evidence taken.

Resolved,—That asset set forth in said estimate of claim, is considered collectable. (See Exhibits R and RR).

Statement of claim, against the Dominion Atlantic Railway, amounting to \$125.33, was examined, and evidence taken.

Resolved,—That asset set forth in said statement of claim, is considered collectable. (See Exhibits T and TT.)

Proceeding to the consideration of certain accounts of the Prince Edward Island Railway in reference to which written statements of claims had been ordered by this committee at its sittings of April, 22nd instant.

Mr. Pottinger's examination was continued thereto.

Statement of claim against the Post Office Department, amounting to \$5,457.51; also, statement of claim against the Militia Department, amounting to \$48.40, were examined, and evidence taken.

Ordered,—That these two amounts be deducted from total of Prince Edward Island Railway, open account, and charged to Consolidated Fund Account. (See Exhibits O and OO; also Exhibits P and PP.)

Statement of claim of Intercolonial Railway, respecting a continuous account against the Militia Department, amounting to \$1,776.47, was examined, and evidence taken.

Ordered,—That said amount be deducted from total of Intercolonial Railway, open account, under heading of "Individual and Company Ledger," and charged to Consolidated Fund Account. (See Exhibits U and UU.)

*Tobique Valley Railway, \$2,739.25, page 66, Pt. III.*

The Sub-committee then resumed the consideration of certain accounts of the Intercolonial Railway, which, during its sittings of the 22nd April instant, had been ordered to stand. Item respecting the Tobique Valley Railway, amounting to \$2,739.25 was further examined. Witness, Mr. Pottinger, submitted a statement, and certain correspondence, in reference to the hire of a locomotive by said railway company from the Intercolonial. Said account was considered uncollectable by the committee.

Ordered,—That amount of \$2,739.25 be deducted from total of Balance Sheet under relative heading thereof. (See evidence of 22nd April, pages 129, 143 and 192.)

*National Labour Congress, \$446.40, page 64, Pt. III.*

On resuming the consideration of item respecting National Labour Congress, amounting to \$446.40 which had been ordered at a former meeting of the committee, additional evidence was taken, and it was ordered, that the Sub-committee's recommendation thereto, be deferred in order to obtain certain papers relating to an order by telegram which had been received by the agent of the Intercolonial Railway at Montreal, with reference to tickets issued to labour delegates. (See Exhibit Z.)

*Steamer "Minto," \$268.14, page 65, Pt. III.*

Witness produced a list of items amounting to \$268.14. The recommendation of the committee was postponed to await a reply from the Marine and Fisheries Department. (See Exhibit Y.)

*List of Uncollectable Accounts, "Rents Ledger," p. 58.*

Witness produced a revised list of uncollectable accounts, amounting to \$3,479.15, which, at the sitting of the Sub-committee on 22nd April instant, was ordered to be deducted from total of Balance Sheet, relative to Open Account of Intercolonial Railway at Page 6, part I. thereof. (See Exhibit Q.)

*Quebec Southern Railway (old account), \$25,637.33, page 65, Pt. III.*

The examination of Mr. Pottinger was resumed.

Witness stated that said railway was sold by the Exchequer Court, and bought by the Delaware and Hudson Canal Company; also that the Registrar of the Exchequer Court paid \$1,507.80; balance owing is \$25,637.33. Witness read the opinion of the Deputy Minister of Justice as to what portion of this claim the Intercolonial would receive.

Requested,—That further inquiry by witness be made as to amounts that may have been received since 31st March, 1908. (See Exhibit ZZ.)

*Norris, J. & G., Account, \$22.22, page 64, Pt. III.*

Ordered,—That said account amounting to \$22.22 be carried in the books as against a counter claim of \$135.

Witness retired.

The Auditor General submitted a written statement, prepared by him in obedience to request made the 22nd April instant, in reference to Stores Balances of the Intercolonial and Prince Edward Island Railways. (See Exhibit M.)

Further consideration of the Balance Sheet was postponed, and the committee adjourned to meet on Tuesday, 4th May, at 10.30 o'clock a.m.

## APPENDIX No. 1

## HOUSE OF COMMONS,

## COMMITTEE ROOM,

TUESDAY, 4th May, 1909.

The Sub-committee met at 10.30 o'clock a.m.

Present: Mr. Pardee, Chairman, presiding.

Mr. Ames, Mr. Carvell, and Mr. Rhodes.

In attendance: Mr. Boville, Deputy Minister of Finance.

Mr. Saunders, Accountant, Finance Department.

Mr. Stumbles, Statistician, Marine and Fisheries Department.

*Quebec Harbour Debentures—Sundry Investments—page 4, Pt. I.*

On resuming the examination of assets, as set forth on page 4 of Balance Sheet, under the heading of 'Sundry Investments,' the Sub-committee proceeded to the consideration of item respecting the Quebec Harbour Debentures account, amount as set forth, viz., \$4,137,956.22, in Balance Sheet of Public Accounts, 31st March, 1908, as against the figures submitted by the secretary of the Quebec Harbour Commission in his evidence of 20th April instant, viz., \$3,999,884.12; thereby exhibiting a difference of \$138,072.10 between the two respective statements of the Finance Department and the Quebec Harbour Commission.

Mr. Saunders, upon being called for examination thereto, stated: that an entry for interest charges, amounting to \$179,097.20 was written in the books; of this amount for interest, payments amounting to \$43,380 were received, and the balance amounting to \$135,717.20 was charged by the accountant, at that time, to Capital Account, instead of Interest Special Account. (See Exhibit I, page 1.) Then, proceeding to explain, as to a second entry which exhibits a difference of \$2,354.90, witness stated, that in January, 1907, an advance was made to the Quebec Harbour Commission, on application of the Department of Public Works, amounting to \$20,265.68; whereas the statement of the secretary of the Commission exhibits an entry of \$17,910.78, instead of \$20,265.68, claiming in his letter in explanation thereto, that said difference of \$2,354.90 expended for sheds for immigration, should not be charged to the Quebec Harbour Commission. Witness stated that he examined the voucher thereof, and found nothing to show as to why it should not be charged to the Quebec Harbour Commission.

Statements setting forth the actual standing of respective contentions of the Finance Department and the Quebec Harbour Commission, as per evidence taken, would be as follows:—

	Statement of Finance Depart- ment.	Statement of Quebec Harbour Commission.
1908.		
March 31.—Investments authorized.. . . .	\$4,485,000 00	
“ Advances respectively set forth.. . . .	\$4,137,956 22	\$3,999,884 12
1909.		
March 31.—Advances made.. . . .	87,254 91	87,254 91
	\$4,225,211 13	\$4,087,139 03
Less amount struck off.. . . .	135,717 20	
Respective totals.. . . .	\$4,089,493 93	\$4,087,139 03

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The difference between respective totals represents the sum of \$2,354.90 which is not acknowledged by the secretary of the Quebec Harbour Commission as chargeable to the account of Quebec Harbour Commission.

On motion of Mr. Ames, the following resolution was passed by the committee:—

That \$135,717.20 be struck from the assets collectable on account of Quebec Harbour Debentures and that same be transferred to Interest Special Account. (See Recommendation (b) in Part I. of Report.)

*Members in arrears for Publication, Statement showing, \$1,220.47.*

The secretary of the Sub-committee produced a statement, prepared by the Auditor General at request of committee, respecting sundry entries of amounts due by members for publication, the total amounting to \$1,220.47. (See Recommendation (c) in Part I. of Report) for resolution passed by Sub-committee.

*Steamer 'Minto' Account with Intercolonial Railway, \$268.14.*

Mr. Stumbles, of the Marine Department, was called and examined thereto. Witness stated that the Marine Department had agreed to pay one-half of \$545 which is a claim for damages, respecting material conveyed by the Department of Marine's steamer and the Government Railways; that transaction occurred in 1902; that a voucher for \$50 was not produced by the Intercolonial management, hence refusal of Marine Department to pay their portion of said claim in settlement thereof, which had been effected by the Railway Department with the claimants.

Resolved,—That the Marine Department get the \$50 from the Railway Department, and pay, as agreed upon, to the Intercolonial Railway, their portion of \$545, the claim for damages mentioned. (See Exhibit Y.)

*Earl Selkirk's Mortgage \$13,900, page 213 of Exhibit A.*

The Sub-committee, on resuming the consideration of this account, which had been postponed from the 30th April, called on Mr. Boville to explain as to further inquiry made. Witness stated the matter could not be satisfactorily placed before the committee. The chairman remarked that the only provision for repayment is in regard to the payment of interest:—

Resolved,—That the Finance and Justice Departments take up the matter, find out the status of the account and arrive at a satisfactory solution. (See further recommendation (4) in Report.)

*Quebec Southern Railway (old account), \$25,637.33, p. 65, Pt. III.*

On motion of Mr. Ames, it was suggested that the consideration of item respecting the Quebec Southern Railway be postponed until to-morrow, 5th May. Motion agreed to.

Disputed Accounts referred to Justice Department for adjudication. (See Exhibit YY.)

The committee then adjourned.

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## APPENDIX No. 1

## HOUSE OF COMMONS,

## COMMITTEE ROOM,

WEDNESDAY 5th May, 1909.

The Sub-committee met at 11 o'clock a.m.

Present: Mr. Pardee, Chairman, presiding.

Mr. Ames, Mr. Carvell, and Mr. Rhodes.

In attendance. Mr. Boville, Deputy Minister of Finance.

Mr. Butler, Deputy Minister of Railways and Canals.

Mr. Saunders, Accountant, Finance Department.

*Canadian Government Railways, Uncollectable Accounts, \$100.*

Mr. Butler, being present, offered explanations regarding uncollectable small accounts which the Sub-committee had considered, in reference to accounts of the Intercolonial and Prince Edward Island Railways, at the committee's sittings on 22nd April instant. Witness explained as to the new Board of Management of Canadian Government Railways, and the appearance of small items in Public Accounts respecting Government Railways.

The Sub-committee revised their finding thereto as follows:—

Resolved,—That the new Board of Management of Canadian Government Railways be granted discretionary power to write off, from time to time, uncollectable small accounts not exceeding \$100. (See recommendation (3) in Report.)

*Caraquet Railway, \$20,522.54, page 62, Pt. III.*

The Sub-committee then proceeded to the further examination of accounts, in reference to the Intercolonial Railway, Open Account, which had been postponed at its four o'clock sitting, 22nd April instant. Mr. Butler, respecting the Caraquet Railway account, now under consideration, stated that said account was being proceeded with for collection by the Railway Department; that the last payment was \$2,000, that the said railway was a good feeder for the Government Railways, and is worth at least \$5,000 a mile. The committee further deliberated as to assets thereof, and decided that no recommendation was necessary beyond the action already proceeded with by the Railway Department to collect said amount, viz., \$20,522.54.

*National Labour Congress, \$446.40 page 62, Pt. III.*

Item left over at four o'clock sitting, 22nd April instant, for further examination, owing to request of committee for correspondence in reference to authority for issue of tickets to labour delegates. Mr. Butler stated that Mr. Price, assistant passenger agent at Montreal, had dealt with the matter. Witness would collect the facts and send the dossier over to the committee. (See Exhibit Z.)

*Quebec Southern Railway (old account), \$25,637.33, p. 65, Pt. III.*

Proceeding to item respecting the Quebec Southern Railway, which had been further examined at meeting of committee, held the 30th April instant, with witness Pottinger, the committee called Mr. Butler for examination as to assets thereof, in reference to subsidies which the railway might earn.

Witness stated that he knew of no case in which the subsidy was withheld after the adjudication of the Courts, although there might be such a case; that the Railway Department was represented before the Court to press their claims; that the proportion then allowed was only a trifle.

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Mr. Boville being called, stated that it should be left on the Balance Sheet.

Mr. Butler further stated that the Railway Department should not be barred from effort to make the company pay up.

On motion of Mr. Ames, it was ordered that information be obtained from the Law Department as to whether the amount of said debt can be deducted off the subsidies which the company may earn. (See Exhibit ZZ.)

The chairman then proposed that the committee should review the accounts to determine the items that were ordered to be eliminated from the Balance Sheet.

The Sub-committee further deliberated on items respecting the Quebec Turnpike Trust, amount of investment, \$20,000, and that of the Quebec Southern Railway, amount of claim, \$25,637.33 in favour of the Intercolonial Railway, and recommended that these items although not taken into consideration when ascertaining the net debt of the Dominion, should remain in the accounts of the Finance Department as debits against the respective debtors. (See Recommendation (a) of Report, and Exhibit ZZ, respectively.)

The Sub-committee then adjourned to the call of the Chair.

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HOUSE OF COMMONS,

COMMITTEE ROOM,

TUESDAY, 11th May, 1909.

The Sub-committee met at 10.30 o'clock a.m.

Present: Mr. Pardee, Chairman, presiding.

Mr. Ames, Mr. Carvell, and Mr. Rhodes.

In attendance: Mr. Boville, Deputy Minister of Finance.

Mr. Saunders, Accountant, Finance Department.

*Revision of Report of Sub-committee.*

The Sub-committee proceeded to revise their report, which, on being submitted for consideration by the Chairman, decided that recommendations respecting: (1) the ratification of Memorandum dated 16th September, 1899, from the Minister of Railways and Canals, in reference to the Kent Northern Railway of New Brunswick; (2) the Prince Edward Island Railway, Open Account, against His Honour Judge Weatherbee, amounting to \$30, be struck out from said report.

On revising the recommendation respecting the Montreal Turnpike Trust, the Sub-committee ordered that the following be added thereto:—

‘And further, that so long as the Trust is unable to pay their interest annually due the Government, the compensation of the trustees should be limited to a sum, in all, not exceeding six hundred dollars per annum, exclusive of fees for attendance at meetings.’

The Sub-committee then adjourned *sine die*.

Attest.

V. CLOUTHIER,

*Secretary to Sub-committee on Balance Sheet of Public Accounts.*

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EXTRACT from the Minutes of a meeting of the Public Accounts Select Standing Committee, held on Wednesday, May 12th, 1909.

Mr. Pardee, from the Sub-committee on the Balance Sheet, presented the following report, which was adopted and ordered to be reported to the House as the report of this committee.

(See Votes and Proceedings of the House, 14th, 15th and 18th May, 1909.)

Attest. T. S. HOWE,

*Clerk of Public Accounts Committee.*

- (1) INDEX TO EVIDENCE TAKEN BEFORE SUB-COMMITTEE ON BALANCE SHEET.**
- (2) EVIDENCE TAKEN BEFORE SELECT STANDING COMMITTEE, PUBLIC ACCOUNTS.**
- (3) EVIDENCE TAKEN BEFORE SUB-COMMITTEE ON BALANCE SHEET.**





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## MINUTES OF EVIDENCE

HOUSE OF COMMONS,  
COMMITTEE ROOM No. 32,  
FRIDAY, March 19, 1909.

The Select Standing Committee on Public Accounts met at 11 o'clock a.m.

On motion of Mr. Ames, Mr. A. K. Maclean, in the absence of Mr. A. H. Clarke, took the Chair.

The committee proceeded to the consideration of the following items: 'Intercolonial Railway, open account, \$884,917.48; Intercolonial Railway, stores, \$3,436,330.30; Intercolonial Railway, Windsor Branch, open account, \$73,660.34; Intercolonial Railway stores, \$29,008.73; Prince Edward Island Railway, open account, \$131,434.03; Prince Edward Island Railway, stores, \$136,289.06, as set forth on page 14 of the Public Accounts, 1908; and a statement showing the detail of the total assets, amounting to \$130,246,298.41, as set forth on page 18 of the Public Accounts, 1908.'

Mr. T. C. BOVILLE, Deputy Minister of Finance, called, sworn and examined.

*By Mr. Ames:*

Q. What position do you occupy?—A. Deputy Minister of Finance.

Q. Mr. Boville, will you take the Public Accounts, page 18, for the year ending March 31, 1908, and what do you find the total debt of Canada to be?—A. \$408,207,158.25.

Q. And the net debt is given as?—A. \$277,960,859.84.

Q. How do you arrive at the figures which give the net debt?—A. By deducting the total of what is included as assets, from the total debt.

Q. And what was the amount of the total of these assets?—A. \$130,246,298.41.

Q. Are these the assets that are to be found set out in detail in Table VI. of the Public Accounts at page 42?—A. Yes.

Q. And the amount on page 53 of part 1 of the Public Accounts represents these total assets?—A. Yes.

Q. \$130,246,298. Is that the total of all the figures on that 1908 line in Table VI.?—A. Yes.

Q. Then you regard all those items that are found in the bottom line opposite 1908 in Table VI. as assets which have been taken into account in the reduction of the gross debt at 100 cents on the dollar?—A. They have been taken that way.

Q. At 100 cents on the dollar?—A. Yes.

### ALBERT RAILWAY COMPANY LOAN ACCOUNT.

Q. Now, turn to Table VI. and the first item in those assets is 'Albert Railway Company loan account, \$14,725.56'?—A. Yes.

Q. Now, can you tell us how that amount came to stand as an asset on the books of the country?—A. This was an amount which was loaned to this railway

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company between 1886 and 1889, under 49 Vic., chap. 10, which authorized a loan to the extent of \$15,000 to be made to the railway company. Various amounts were advanced from 1886 to 1889, covering \$13,954.62, and there is a small charge for interest of \$770.94, which gives a total amount of \$14,725.56.

Q. Under the conditions of that loan, was the railway company to pay interest?  
—A. Yes.

Q. At what rate?—A. Six per cent.

Q. Has the company paid any interest?—A. No—I think I am correct in stating no.

Q. How long is it since the company ceased paying interest?—A. A charge was made against them in 1887, which is included in the loan.

Q. Since when have they ceased paying interest?—A. Nothing has been received otherwise than as stated.

Q. For something over 21 years, this company has paid no interest?—A. No interest.

Q. Do you regard that as an asset worth 100 cents on the dollar?—A. Well, my opinion of course has to be the legislative opinion.

Q. I will put my question another way. In the department has that been regarded as worth 100 cents on the dollar?—A. It has been taken from the first as one of the assets.

Q. It is taken now as an asset at 100 cents on the dollar?—A. It is a claim against the railway company; and it cannot be treated otherwise until some legislative action is taken.

Q. Are you keeping an account also of the accrued interest?—A. Yes, you will find the accrued interest from year to year in the Auditor General's Report.

Q. Does the accrued interest also rank as an asset?—A. No.

Q. How do you come to make a distinction between the principal and the interest when calculating the assets?—A. The principal is cash paid out, the interest is only a calculation.

Q. The interest was due each year and, I suppose, was regarded as revenue due?  
—A. Yes. But the loan was cash that we paid out; the interest is a calculation on which nothing has ever been received. When it is received it will take its place as revenue.

Q. The interest is an unfulfilled obligation on the part of the railways?—A. Yes, but does not yet represent a cash transaction.

Q. When that loan was made, what security was given?—A. That would appear in the statute which I have not before me. It would be simply a loan, I presume, I do not think there was any specific form of security.

Q. There was no specific form of security?—A. No, so far as I know.

Q. Is the company in operation and doing business to-day?—A. I cannot give you the details as to that. That information will have to be obtained from the railway department; I believe it was absorbed by another company.

Q. What efforts have been made by the government to collect that \$14,700 from this company?—A. Apparently no particular effort. The amount was \$14,725 in 1889, and it is the same amount in 1908, and in my short time, no particular efforts have been made to collect it. I have been deputy minister for two years.

Q. No special efforts have been made?—A. No. It was reported yearly.

Q. Do you regard that amount as collectable?—A. Well, my opinion must be the legislative opinion, I cannot move or treat it in any other way until legislation has determined otherwise. Occasionally statutes are passed which enable items of this kind to be dealt with; we had one not very long ago in reference to an account of the Fredericton and St. Mary's bridge which was wiped off the assets as the result of legislation. Unless some legislation is effected, I cannot deal with this item otherwise than it is now being treated.



## APPENDIX No. 1

Q. Can you inform the committee what recourse you would have against the company, in case you desire to collect that \$14,725 and accrued interest?—A. I presume it would be by suit. That is a legal point on which I would not like to offer an opinion.

Q. Do you know whether the company is solvent?—A. I do not know.

Q. In other words, since you have been deputy minister, the government has made no effort to collect either principal or interest?—A. No. So far as I know. Nor previously.

Q. And yet you take it as a gilt-edged asset at 100 cents on the dollar?—A. The probable reason for that is the system of a balance sheet of assets and liabilities which we adopt, and which has been the system in vogue since prior to Confederation. From year to year it has been thought better—I fancy that is the real reason—to treat these items without any change until legislation takes place, with the idea that each year's operation will show exactly the influence of the operations on the increase or decrease in the net debt. This amount of \$14,000 is an infinitesimal amount compared with the total amount of the debt, \$277,000,000, and for the purpose of showing exactly, down to a dollar, the operations of each year on the National Debt, I fancy it was thought better not to make any change until legislation takes place.

*By Mr. Carvell:*

Q. Do you know exactly in what position the Albert Railway stands to-day?—A. I do not know.

Q. I do not either; I know there has been some litigation with regard to it?—A. Yes.

Q. Did the Government have any security on the road, except that it was a straight loan?—A. I could not say offhand, but on a reference to 49 Vic., Chap. 10, you would be able to ascertain.

*By Mr. Ames:*

Q. I have just one more question. As far as your present knowledge goes, has the government made any effort to collect this interest, since you have been connected with the department?—A. That would necessitate my searching the files.

Q. As far as your memory is concerned?—A. I have no doubt that in the early history of the account, the ordinary memorandum of interest would be sent to them once in a while.

Q. But apparently of late years, all attempt to collect that interest has been abandoned?—A. Apparently—for the past 10 or 15 years.

Q. Turn over to page 38 of the Public Accounts, that, I think, is the next item that comes on the line for 1908?—A. Yes.

## GRAND TRUNK RAILWAY, THIRD PREFERENCE STOCK.

Q. Do you find an item there, 'Grand Trunk preference stocks, variable. \$121,739.65'?—A. Yes.

Q. Will you turn now to Part 2, Page 43?—A. Yes.

Q. You find there an item, 'Grand Trunk Railway, preference stock,  $\frac{1}{2}$  year'?—A. Yes.

Q. From that item, are we to understand that the interest on this Grand Trunk Railway preference stock is promptly and fully paid?—A. This Grand Trunk Railway preference stock is an asset which the Dominion took over at Confederation, and as the stock ranks for dividend, the dividend is paid. We have received several remittances for interest on account thereof.

Q. Is there any overdue interest at the present time?—A. I do not think so. I think the interest, whenever earned and properly payable on the preference stock, has been paid to us.

Q. Then that can be taken as a good asset? Now turn to page 39, Part I., of the Public Accounts—I think, Mr. Boville, perhaps if you will do so, you might prepare for the committee a statement, showing what these Grand Trunk preference stocks have earned?—A. I think that was given in answer to a question in the House, yesterday.

Q. Was it given?—A. Yes, in answer to a question in the House, yesterday.

Q. Now this item on Page 39, 'Issue Account and Specie Reserve, \$41,689,751.31', does that represent actual bullion or cash?—A. That is Specie Reserve, that represents actual coin.

Q. That represents actual bullion and cash?—A. Yes, actual coin.

#### CONSOLIDATED FUND INVESTMENT ACCOUNT.

Q. Turn now to Page 40, do you find, 'Miscellaneous Consolidated Fund Investments, Variable. \$6,739,063.74'?—A. Yes.

Q. Turn now to Part II., Page 42?—A. Yes.

Q. Are the items given there under 'Consolidated Fund Investment Account' the items that make up that \$6,739,063.?—A. I do not quite comprehend your question, Mr. Ames.

Q. You might say, what are the items that make up this 'Miscellaneous Consolidated Fund Investments Variable,' and are these the items that appear in page 42 of Part II.?—A. The \$6,739,063.74, under the heading 'Miscellaneous Consolidated Fund Investments' consists almost entirely—and you will notice it has very much increased since 1903—of the sinking fund of our own Canadian loans, which have fallen into our hands, by reason of the maturing of past loans. And which have been reinvested?—A. Well, they are our own securities, they are bonds, Dominion bonds and stocks which we are holding in our own hands. It is a question in my mind, and we are discussing it now, whether we should not treat that practically as a redemption of debt, and wipe it off the other side of the account. As a matter of fact, we are holding them on the one side as an investment, and they are regarded as debt on the other side. These sinking funds form the largest portion of that account, being a little more than six and a half million dollars.

Q. About \$6,500,000, then actually represents our own indebtedness which we, ourselves, hold against ourselves?—A. Exactly.

Q. And the cancellation of each, from both sides of the account, would practically leave us the same as before?—A. Yes, it is practically a redemption of debt, but there may be some formalities in the way of cancelling the debt.

Q. There are a few other items which go to make up the total of \$6,739,000?—A. There are a few other items under 'Consolidated Investment Account' which I will give you. Here is this Grand Trunk Preference Stock which you have already alluded to?

#### QUEBEC TURNPIKE TRUST DEBENTURES.

Q. Yes.—A. And there is \$20,000 of the Quebec Turnpike Trust Debentures?

Q. Will you give us the history of those?—A. Well, I could not offhand, but I will get it for you.

Q. Can you tell us whether interest is paid on them?—A. These were taken over at Confederation.

Q. Is any interest being paid on them?—A. No.

Q. How many years is it they have been on the books without earning interest?—A. I will have to investigate that and give an answer, but it is some time.

Q. Are they negotiable?—A. They are under litigation now.

Q. But are they negotiable?—A. They are negotiable, but they are under litigation at the present time.

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Q. Are there any other Turnpike bonds out in the hands of the public?—A. Yes, the province of Quebec holds some.

Q. But are there any bonds in the hands of the public?—A. I could not say.

Mr. AMES.—Can you tell us, Mr. Fraser, whether there are any of these bonds in the hands of the public?

Mr. JOHN FRASER, Auditor General.—Yes, I think there are some.

Mr. AMES.—Have any sales been made of these bonds of late?

Mr. FRASER.—No, I think not.

Mr. AMES.—Would they be worth 100 cents on the dollar in the open market?

Mr. FRASER.—I could not say.

## BANK OF UPPER CANADA BANK STOCK.

*By Mr. Ames:*

Q. Go on, then, Mr. Boville?—A. There are two or three small things that came in, since Confederation, one is \$750, a small amount, representing bank stock of the Upper Canada Bank, which is not very valuable.

Q. The Upper Canada Bank failed?—A. In the fifties, yes.

## EARL SELKIRK'S MORTGAGE.

Q. So that is valueless, is it not, failed fifty years ago?—A. Then there is the Earl Selkirk mortgage for \$13,900.

Q. That was granted fifty years ago, or more?—A. That is in connection with the Indian Trust Fund, and was given many years ago.

Q. Is that collectable?—A. I think we have a lien on the land.

Q. It's a question that is in litigation?—A. Not yet.

Q. And the next item?—A. That is all.

Q. Where do these items of the Calgary and Edmonton Railway and the Canadian Northern Railway come in?—A. You will find them under 'Miscellaneous.'

Q. Now the next item is 'Miscellaneous,' \$19,323,486.46, where are the details of this? (Table VI.)—A. The detail would be found at Page 62.

Q. They are intermingled with others?—A. If you will look at Page 6 you will find them.

## BANK OF MONTREAL SPECIAL ACCOUNT.

Q. Will you call them off, one by one?—A. On Page 6, under the heading 'Miscellaneous and Banking Accounts,' Bank of Montreal, special account, \$9,850.51.—

Q. What is that?—A. An amount we have at credit in the Bank of Montreal, a trust fund held in the name of the Receiver General under the Grand Trunk Pacific mortgage. Bank of Montreal, special account, (advance on account of movement of crops) \$940,000; that was last year, that is paid, it has disappeared; 'Bank of Ottawa, special account, \$1,083,551.88,' that is Grand Trunk Pacific, special deposit in the Bank of Ottawa.

Q. And that represents cash?—A. Yes. 'Bank of Toronto, special account, \$1,056,629.08,' that is the same thing.

## BANK OF MONTREAL PROVINCIAL NOTES SUSPENSE ACCOUNT.

Q. And the next is Bank of Montreal?—A. Yes, 'Provincial Notes, Suspense Account, \$28,431.33.'

Q. What is that item?—A. This represents provincial notes stolen—they were notes of the province of Canada—stolen years ago from the Bank of Montreal at St. Catharines.



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Q. That must be fifty years ago?—A. Yes, pretty close to that, not quite fifty years ago; \$46,000 of notes were stolen, and the Bank was allowed the privilege of covering the amount of such notes only, as they were presented from time to time.

Q. Have any of them been presented?—A. Oh, yes, they come in from time to time.

Q. Are they still filtering in from time to time?—A. Once in a while——

Q. How long is it since any of them came in?—A. We have not had any for some time.

Mr. FRASER, Auditor General.—They are only dealt with, when the amount is worth noticing.

Q. How do you treat these, as assets worth 100 cents on the dollar?—A. They have always been treated that way, that is the only reason I can give. This 'Provincial Notes Suspense Account' was all explained before the Public Accounts Committee some time ago.

Q. Perhaps I was not here at the time, you might explain the matter briefly—when was it explained?—A. It was 27 years ago.

Q. No, I was not here then.—A. In the annual report of the Select Standing Committee on Public Accounts for 1882, you will find the matter explained.

Q. Well, how much has the amount decreased since 1882?—A. It was then \$46,000.

Q. It is now \$28,431?—A. Yes.

Q. You cannot tell me how much it has decreased in the last ten years?—A. In 1898 it was \$29,224.00.

Q. It would seem to be a difficult asset to realize on, would it not?—A. The Bank of Montreal has to meet the notes as they come in.

Q. Would it be one of the assets which you would advise should be considered by a special committee similar to that which was appointed in 1881-2?—A. It might, possibly.

The CHAIRMAN.—You might put this report of the Standing Committee on Public Accounts for 1882 in the record.

Mr. AMES.—I may say, frankly, that this investigation is not for the purpose of making any political capital, but for the purpose of making a motion for the appointment of a sub-committee to do that which was done in 1882, make a revaluation of the assets of the Dominion, which I think, ought to be done every ten years. I think that this committee should ask the authority of the House to appoint a sub-committee for that purpose.

(Report of Public Accounts Committee of 1882 filed as follows.)

#### 'EXHIBIT J.'

MEMORANDUM.—It is hereby agreed between the government of the Dominion of Canada and the Bank of Montreal, that the question as to whether the government or the bank should be held responsible for the sealed packages of provincial notes, amounting to Forty-six thousand dollars, which were abstracted by burglars from the vault of the St. Catharines agency of the bank, on the night of Monday, 11th January, 1869, should be submitted to the Hon. Chief Justice Draper for friendly arbitration, on the understanding, that if the decision be given against the government, the amount shall be charged against the Hon. Receiver-General's issue account; and if given against the bank, the said bank, inasmuch as it has never received value for the notes, will only be called upon to pay the same as notes forming the last \$46,000, of the present issue, if provincial or Dominion notes are presented for redemption.

7th MARCH, 1871.

In the matter of the case between the government of Canada and the Bank of Montreal, referred to me for friendly arbitration:



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‘After the best consideration in my power of all the papers put before me, together with the case drawn up and signed on the part of the bank by the General Manager, and on the part of the government by the Honourable the Minister of Finance, I find as follows:—

1st. That the issue and redemption of provincial notes was undertaken by the Bank of Montreal, under and by contract with the government, and was a beneficial contract to the bank, and was founded upon considerations which extended to each and every part of the bank’s engagement, which included the safe-keeping of the Provincial notes.

2nd. That the bank was not limited or restricted in the use or issue of the provincial notes delivered to them. If occasion called for it, they might issue the whole.

3rd. That owing to a want of care in keeping the keys of the vault after banking hours, the stealing of the notes was facilitated.

4th. That the bank virtually acknowledged its liability by crediting the Receiver General with the amount of the stolen notes.

5th. That the officers of the Bank, who were also made officers under the Receiver General, were not entrusted with the safe-keeping of the notes, and could exercise no control over their issue.

6th. And I do adjudge, order and award, that the Bank of Montreal is answerable and liable to account for, and make good to the government of Canada, the amount of forty-six thousand dollars, being the sum, in provincial notes, held by the said bank, under their agreement to act as agents for the government, for the issue and redemption thereof, and which part was stolen from the vault of the said bank at St. Catharines, on or about the eleventh day of January, 1869.

And I do further award, order, and adjudge, and determine, that the said Bank do account for, and make good to the government the said amount of provincial notes, as if the same had been duly issued according to the true meaning and intention of the said arrangement, for the issue and redemption of provincial notes.

Dated 29th April, 1871.

WM. H. DRAPER,  
Bank of Montreal.

MONTREAL, 16th March, 1882.

MY DEAR SIR,—I had noticed in the public prints the reference by the Sub-committee of the Public Accounts Committee, to the item of \$46,000, respecting the robbery of provincial notes from the agency in St. Catharines, in the year 1869, and was, therefore, not unprepared to receive your letter of yesterday.

While the main features of the arrangement, as given in your letter, accord with our own records and knowledge of it, there is one important point on which, I think, a different view may be taken. The last clause of the agreement reads as follows:—

‘And if given (i.e. the arbitration of Chief Justice Draper) against the Bank, the said Bank, inasmuch as it has never received value for the notes, will only be called upon to pay the same, as the notes forming the \$46,000, of the present issue of Provincial or Dominion notes, are presented for redemption.’ From this, it seems to me quite clear, that the question of the particular notes stolen does not come in at all, and therefore, their denominations are of no consequence, and that the Bank can only be called upon to pay anything, as the last \$46,000 of that issue are redeemed by the Government, and as the statement in your letter gives \$91,623, as still outstanding, it follows that as yet there is still no claim against the Bank.

In consequence, however, of the large amount of \$500 notes shown to be still outstanding, I have to-day had our Treasury carefully gone over, and find that we hold amongst our government notes here, no less than \$54,500 of provincial notes, out of which, \$3,000 are of the Toronto issue, and the remainder of Montreal. We propose now to send them to the Deputy Receiver General for exchange for Dominion notes, and if the arrangement is based on the Montreal issue only.

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The bank would then owe the government . . . . .	\$ 5,877
Amount outstanding per your statement . . . . .	91,623
To be sent in for redemption by Bank of Montreal . . . .	51,500

40,123

Amount of notes stolen . . . . .	46,000
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Amount now to be accounted for by Bank . . . . .	5,877
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In this calculation, as you will notice, I have assumed that the arrangement referred only to the Montreal issue, but I do not know the grounds on which you restrict it to that. So far as we know, the package of stolen notes embraced more than that issue, and the agreement designates the 'area' as the 'present issue of provincial or Dominion notes.' I might, therefore, ask you to see how the account would stand from that point of view, taking our amount of notes, to be sent in now, as the total on hand here of \$54,500.

Awaiting your reply.

I am, my dear sir,

Yours very truly,

W. J. BUCHANAN,  
General Manager.

J. M. COURTNEY,  
Deputy Minister of Finance,  
Ottawa.

#### BANK OF UPPER CANADA, SPECIAL ACCOUNT.

*By Mr. Ames:*

Q. Now, take the next item, what is the next item?—A. That arises from the failure of the Bank of Upper Canada.

Q. How much?—A. You will notice an item of \$1,150,000 there.

Q. Yes.—A. That is not taken in.

Q. Then pass it?—A. So far as I am concerned, I cannot write off any of these assets on my own motion; it requires the consent of parliament; I can only repeat, the will of parliament as expressed in the statutes, is my authority.

Q. That brings up the point, that only parliament can say, that these assets should be written off? And when we see that an asset has been a bad debt for fifty years, it must still be carried forward because the Deputy Minister of Finance has no power to strike it off?—A. But the proportion, as compared with the total net debt, is not very large, it is small.

#### BANK OF UPPER CANADA, ADVANCE ACCOUNT.

Q. That is a question of opinion. Now the next item is the 'Bank of Upper Canada, Advance Account, \$88,699.39?'—A. This Bank of Upper Canada Account arises of course from the failure of the Bank of Upper Canada.

Q. Which failed?—A. About fifty years ago.

Q. And these Upper Canada Bank Accounts are still carried?—A. But if you will notice on the other side of the Balance Sheet, there is a liability of ours which much more than off-sets what we are carrying in the assets.

Q. Then do I understand that really you are not carrying in the assets anything from the Bank of Upper Canada?—A. No, because if you wipe off these assets on the asset sheet side, you will have to deal with a liability on the other side.

Q. Do I understand then that the liability is \$363,889?—A. Yes.

Q. That is, the asset, which you take, as representing the Bank of Upper Canada is of the same amount as the liability?—A. The asset is less.

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Q. Why do not the creditors of the Bank of Upper Canada realize on the liability which the government owes the bank?—A. I should take it as the unclaimed remainder.

## BANK OF LIVERPOOL, LIQUIDATION ACCOUNT.

Q. Now take the Bank of Liverpool which, as the chairman will know, failed a good many years ago. \$2,930 is the amount of the asset?—A. Well, for the same reason we have no authority to deal with it.

Q. That is quite uncollectable?—A. I should say so. As against the Bank of Liverpool, we had a claim amounting altogether to \$84,996.73, and against that, we have recovered \$82,066.04.

Q. You have not recovered anything in the last few years?—A. No.

Q. You have recovered nothing for a number of years?—A. No, this is the balance.

## CALGARY AND EDMONTON RAILWAY, SPECIAL ACCOUNT.

Q. The next item is the Calgary and Edmonton Special Account, \$1,668,322. The interest on this is promptly paid, is it not?—A. The interest is treated according to the contract that we have with the Calgary and Edmonton Railway Company under which they have a transportation arrangement with the government entered into about 1889, whereby we pay them a certain sum per annum, and we credit this account with the work done for us.

Q. That is a contra account for services rendered?—A. Yes.

Q. And the services rendered exceed the amount of the annual interest?—A. The yearly payment exceeds the services rendered, but we hold a portion of the land grant given to this company as a resource against this balance. Until this balance is liquidated, there is a certain proportion of the land grant made to the company by parliament, which does not go into their hands.

Q. Now we made an advance to them, did we not? Is this the same as the Qu'Appelle, Long Lake and Saskatchewan Railway Company?—A. The same thing, yes.

Q. Then so long as the contract remains, and so long as the services which they annually render—A. That contract is only, I think, for twenty years.

Q. When does the contract expire?—A. It will expire very shortly.

Q. But so long as this contract continues, where the service is rendered under the contract, did they have excess cash value to the amount due annually on the bonds and the advance?—A. No.

Q. At the end of the year, which would be the debtor to the other?—A. In 1903, if you will look at page 14 of the receipts and payments, you will find a receipt from the Calgary and Edmonton Railway of \$19,613.41.

Q. Yes, 'Calgary and Edmonton Railway, Special Account.'—A. This was the amount of the receipts, and you will find the payments on the other side.

Q. Yes, 'Payment of \$143,047' ?—A. Yes.

Q. The point I am trying to get at is this, whether under the existing contract we are the debtor to the railroad, or the railroad is the debtor to us, at the end of the year?—A. The railway is the debtor to us in this amount; you can see, it is increasing every year.

Q. Then the railroad is falling behind?—A. Yes, but we have the security of the land.

Q. In that case, do you know how much land you hold as security?—A. I could not say offhand; it is about one-third of their grant, but I could not give you the number of acres.

Q. Then the department regards the security as ample?—A. Oh, yes.



## CASH SUSPENSE.

Q. What is the next item, 'Cash Suspense, \$28,594.92'?—A. Well that is largely a cash suspense item since disposed of, leaving \$967 representing uncurrent coin.

## CANADIAN BANK OF COMMERCE, SPECIAL ACCOUNT.

Q. Then the item of 'Canadian Bank of Commerce, Special Account, \$1,099,347'?—A. Grand Trunk Pacific Trust account.

Q. That is actual money?—A. Yes.

## CANADIAN NORTHERN RAILWAY, SPECIAL ACCOUNT.

Q. Then, 'Canadian Northern Railway, \$764,519'?—A. That is the same as the Calgary and Edmonton, and the Qu'Appelle, Long Lake and Saskatchewan Railway.

Q. That is, you hold lands more than sufficient to cover the principal and interest belonging to the road?—A. Yes.

Q. We need not touch the next ones, the C. P. R. items, those are all right?—A. Yes.

## GOVERNMENT SAVINGS BANK, DEFALCATION ACCOUNT.

Q. 'Government Savings Bank, Defalcation Account, \$25,728,' what is that?—A. Those are losses on the defalcations that have occurred from time to time in the Government Savings Bank. That is the accumulation since 1886, and no change has occurred in the account since 1898.

Q. Where employees have stolen?—A. Or where cheques have been improperly obtained.

Q. Are legal steps being taken to recover that?—A. Well, I think all has been recovered that can be recovered.

Q. That would be one of the items you would recommend, that a committee should consider the advisability of striking off?—A. Legitimately.

## INTERCOLONIAL RAILWAY, OPEN ACCOUNT.

Q. Now, we come to the Intercolonial Railway Open Account, how is that \$965,418 made up?—A. If you will look at page 58, part III. of the Public Accounts, you will find the whole details of that account published—every detail of it is there.

Q. Now, in that detail there are a number of items?—A. Yes.

Q. And I have a return on it, which I would like to put in as evidence, and leave it in possession of the committee, in order that we may see how some of these items are made up. (Sessional Papers No. 67b, 1909.) We will leave that here, with the understanding that it will not go out of the room, so that any member can consult it. On pages 26 and 29 of that return (Sessional Paper No. 67b), do you find an account there against the Atlantic and Lake Superior Railroad?—A. That return is in reference to the Intercolonial Railway, and so far as the details of the Intercolonial Railway accounts are concerned, I have no definite knowledge.

Q. You have no knowledge of the Intercolonial affairs?—A. No, they manage their own business.

Q. Who would you recommend as an officer to be summoned with reference to that return?—A. I should say the treasurer of the road, Mr. S. L. Shannon, who is comptroller and treasurer.



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Mr. AMES.—Then, Mr. Chairman, I would like to put in a request that Mr. Shannon be asked to come and explain these accounts. I think it is more than probable that Mr. Shannon will be called during the sittings of this committee, and I could make my examination incidental to that of others who might care to examine him, so as not to bring him up here more than once.

## INTERCOLONIAL RAILWAY, STORES ACCOUNT.

*By Mr. Ames:*

Q. Then, Mr. Boville, the next item to that of the 'Open Account' is the 'Stores Account' of the Intercolonial?—A. Yes.

Q. By whom is that Stores account of \$1,365,935 made up?—A. The entries are received from Moncton through the Railway Department.

Q. From whom do you receive that statement for your report?—A. The Railway Department, the entry is put through on their statement.

Q. The inventory is not found in the Public Accounts?—A. No.

Q. Then, I would ask that the proper official of the Railways and Canals Department be requested to appear here at the proper time to give that information?—A. There is a statute which authorizes the expenditure of money up to the extent of \$1,500,000 for the purchase of stores.

Q. Only to the extent of \$1,500,000?—A. I think that is what the statute is.

Q. Is it not a fact that the Stores Account to-day is over \$2,000,000?—A. I could not say off-hand.

Mr. AMES.—I would like to ask, Mr. Chairman, that the proper officer of the Railway Department be summoned to lay before us the inventory on which this \$1,365,935 is based, and to explain to us the manner in which that inventory is prepared.

## ICELANDIC IMMIGRATION.

*By Mr. Ames:*

Q. The next item is the 'Icelandic immigration, \$47,700,' tell us about the Icelandic Immigration, page 6, of the Public Accounts?—A. These are advances made in the year 1877, I think.

Q. In 1877?—A. I think so.

Q. For what purpose?—A. In connection with the Icelandic Immigration scheme in the Northwest Territories, land was given to these Icelanders, and they were assisted in cash. A certain amount was received, and amounts are being repaid on this account occasionally; a mortgage is held against those who received assistance to cover the amount.

Q. What steps are being taken to collect the amount?—A. Amounts are coming in from time to time, small amounts.

Q. Is it not a fact that the amount has been practically stationary for a number of years?—A. Practically so, but small amounts have been coming in.

Q. Is it not a fact that the government has practically given up trying to collect that?—A. I do not know that.

Q. Because the same amount appears on the books almost without change for the past ten or fifteen years?—A. Yes, but mortgages are held on all these lands by the Interior Department; this item is administered by the Interior Department, and they hold mortgages against the people who owe the money.

Q. Is this an item which you would consider, might well require the consideration of the sub-committee that has been proposed?—A. I think we can realize on it yet.

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Q. You still think we can realize on it?—A. Certainly, the lands are good.

Q. Not at the present rate that we are realizing. Is there any serious effort being made, to your knowledge, to collect this money?—A. That is in the Department of the Interior.

Q. Well, then, we will have to summon an official of the Department of the Interior in that respect.

## KING'S PRINTER, STATIONERY.

The next item is 'King's Printer, stationery, \$201,568'?—A. That is the working capital advanced to him under the statute.

Q. What does that represent, his stock in trade?—A. And all material; it is his working capital; he buys out of this, and is paid by the departments; he is our manufacturer.

## MANITOBA SWAMP LANDS COMMISSION.

Q. 'King's Printer, stationery, \$55,478.' What does that represent?—A. That is not 'King's Printer,' that is the 'Swamp Lands Commission'; that is also in the Department of the Interior. It represents the expenses incurred by the Commission. We advance money to the Commission for the survey and for expenses, in connection with the swamp lands, and the amount is afterwards repaid by the province of Manitoba.

Q. In this case, Manitoba is paying interest on it; so that this is a perfectly good asset?—A. Yes, that is all right.

Q. In the case of the Icelandic Immigration no interest has been paid for a number of years?—A. No.

## MERCHANT'S BANK OF CANADA, SPECIAL ACCOUNT.

Q. 'Merchants Bank of Canada, special account, \$973,201.48'?—A. That is Grand Trunk Pacific.

## MILITIA PAYMASTER.

Q. 'Militia Paymaster, \$605.49'?—A. I think that item might properly go to the sub-committee.

Q. What is the history of that?—A. That is an ancient affair.

Q. Is that another defalcation?—A. Yes, it was a paymaster many years ago; he has long been dead.

Q. That is rather an interesting item, where a defalcation made by a paymaster in the Militia Department, who has been dead many years, is still carried as an asset at 100 cents on the dollar?—A. Until it is wiped off.

Q. Until it is wiped off, and the department has no authority to wipe that off as an asset. Of course, a recommendation of this committee to the House of Commons would very easily deal with that situation?—A. From time to time, legislation is enacted which enables us to deal with part of these items, but there are other items, such as this, which require specific legislation authorizing us to wipe them off.

## PRINCE EDWARD ISLAND RAILWAY OPEN AND STORES ACCOUNT.

Q. 'Prince Edward Island Railway, Open account, \$19,687.41,' and the next one, 'Prince Edward Island, Stores account, \$81,515.90'?—A. The same as the Inter-colonial.

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## PRINTING CONTRACTOR.

Q. What is this item, 'Printing Contractor, \$2,365.87'?—A. That was an advance made to a printing contractor a great many years ago.

Q. Before the Printing Bureau was established?—A. Yes.

Q. When the printing of the government was done by a contractor?—A. Yes.

Q. This was an overpayment to the contractor?—A. It was an advance made to him which has never been accounted for, and the printing contractor is dead for some years.

Q. And you made no attempt to collect it from his estate?—A. No, so far as I know.

Q. There is another item where the amount is large——?—A. Comparatively nothing, compared to the whole amount.

## QU'APPELLE, LONG LAKE AND SASKATCHEWAN RAILWAY, SPECIAL ACCOUNT.

Q. 'Qu'Appelle, Long Lake and Saskatchewan Railway, Special Account, \$1,863,524'?—A. The same as the others.

Q. You hold land in ample security?—A. Yes.

## RAILS LOAN ACCOUNT.

Q. 'Rails Loan Account, \$90,355,' that item has stood since 1892 without a dollar being paid on it?—A. Since 1888.

Q. Perhaps, it may have been since 1888.—A. I think you will find, it is 1888, if you go that far back.

Q. That was, if I remember rightly, rails which were given to certain railways?—A. To a number of railways, in 1888.

Q. The other railways have paid for their rails, there is a statement on page 123 of Part I. of the Public Accounts. You will find that the Central Railway Company of New Brunswick paid \$83,612, the Elgin, Petitecodiac and Havelock paid \$44,252, but the Kent Northern Railway of New Brunswick, the Halifax Cotton Company Siding, the Canada Steel Company, the Albert Railway, and the Low, Reid & Co., did not pay. The Chatham Branch Railway also paid \$24,439. The total value of the rails granted to these companies was \$242,661, of which \$152,305 was paid?—A. Yes.

Q. But the Kent Northern Railway of New Brunswick, the Halifax Cotton Company Siding, the Canada Steel Company, the Albert Railway Company, and the Low, Reid & Co., did not pay theirs, and it still stands at \$90,355, and it has stood at that for the last twenty years, without a dollar being paid on it. Is that an asset which you think should be referred to the special committee?—A. Yes.

*By the Chairman:*

Q. These were second hand rails?—A. Yes.

*By Mr. Ames:*

Q. Some of the companies paid for their rails, and the others did not?

## SERVICES AND UNPAID SPEECHES.

Here is a small item that causes us great grief, 'Services and unpaid speeches,' whose speeches were unpaid?—A. I am afraid I cannot say anything about that.

Q. These are speeches that have been ordered by members, and not paid for, are they not?—A. It is a Printing Bureau account.

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Q. That would be away back in the Conservative days, I suppose?—A. Some of them are a little more recent.

Mr. FRASER, Auditor General.—Some of them are something like the case of the printing contractor—some of the men are dead.

Q. But I think most of them do go back to the Conservative days?

Mr. FRASER.—I have hesitated to publish the details of that item.

Q. It is like advertising club dues?—A. The practice we have adopted is, every year to get a return from the King's Printer, and to send a polite request to the gentlemen, asking them to send in their cheques; so that the names will not be published.

## SEED GRAIN TO SETTLERS.

Q. Perhaps you make it too polite to be effective—are there any other items under the heading of 'Miscellaneous'? 'Seed Grain to Settlers, \$3,999' that relates to the old advance?—A. Yes.

Q. Made twenty years ago?—A. Gradually, the amounts are coming in on that account.

Q. Coming in still?—A. Yes, the Department of the Interior expect to clear them up.

Q. Something may be realized out of that, you think?—A. Yes.

## MONTREAL HARBOUR COMMISSION.

Q. Now, turn back to the series of assets given in Table VI., having dealt with these miscellaneous items on page 6; beginning at page 35, we have been dealing with the item of \$19,000,000. On page 40 in the second column, 'Miscellaneous,' we have the item 'Montreal Harbour Bonds, 5 per cent, 3½ per cent after 1895, \$2,000,000.' There are two items for the Montreal Harbour Board: the one of \$2,000,000, and another one of \$7,225,000, (3 per cent) making in all \$9,225,000. These are advances made to the Harbour Commissioners of Montreal?—A. Under statute.

Q. Is the interest promptly paid?—A. Yes.

Q. The interest is paid to date?—A. Not to date; there is an arrear for the year up to the 31st December last. I think, as a matter of fact, they have been paying interest right along.

Q. They have been paying interest up to the 31st of December?—A. I think there is an arrear of a year to December 31.

## MONTREAL TURNPIKE TRUST.

Q. 'Montreal Turnpike bonds at 6 per cent, 3½ per cent after 1895, \$195,000,' there has been no change in that since 1897—have they paid interest?—A. They did pay some; lately they have not paid any.

Q. They have not paid anything lately?—A. Not for a number of years.

Q. How long is it since they ceased to pay interest?—A. About seven or eight years.

Q. What steps have been taken to press them for collection of, either the principal or interest?—A. We remind them, once in a while.

Q. Getting no response—what security have you for that?—A. We have the bonds of the commission.

Q. Under the bonds, what steps can you take to recover, if you want to get the money?—A. We can sell the bonds, if we want to.

Q. Sell them for what they will bring?—A. I think they will bring—



## APPENDIX No. 1

Q. About the only thing you can do is, to take over the Turnpike Trust, and undertake to collect the tolls yourselves, which is not very liable to be satisfactory.

The CHAIRMAN.—You can sell it.

Q. Yes, we can sell it again, but I doubt whether we could sell it at 100 cents on the dollar?—A. We might.

## QUEBEC BRIDGE RAILWAY COMPANY, LOAN ACCOUNT.

Q. The 'Quebec Bridge and Railway Company loan account, \$2,000,000'?—A. That has been written off.

Q. What induced you to write that off?—A. We wrote the whole amount off.

Q. Why?—A. We advanced, roughly speaking, this \$6,400,000 for the Quebec bridge, and then we took it over. The loan to the Bridge Company was an investment, but when we took over the bridge, it became our property. Now, the practice we have been following is, not to count among our assets any of this real estate, that the government owns; those buildings are in that category, and the bridge having been taken over, is in the same category; so we wiped this item off. I might explain to the committee that the government's real estate, these buildings, the canals and the railways are not, under the method we have adopted, regarded as assets in calculating the net debt. We differ from a business house, in that respect.

*By Mr. Nesbitt:*

Q. Do you keep track of the expenditure on these?—A. The Public Works Department does, but we do not in the Finance Department keep track of the expenditure on each building.

## NOVA SCOTIA DEBT SUSPENSE ACCOUNT.

*By Mr. Ames:*

Q. Now, the next item in Table VI. is 'Nova Scotia Suspense Account, \$40,502.81'; that has stood practically untouched for a number of years?—A. That is all right.

Q. Is it acknowledged by Nova Scotia as an indebtedness?

The CHAIRMAN.—Is it a portion of the provincial subsidy, upon which the government pays interest.

Mr. AMES.—With the permission of the committee, I will ask the Auditor General to answer that question.

Mr. FRASER.—At Confederation, or previous to Confederation, there were bonds of Nova Scotia, provincial notes such as our Dominion notes, I forget the amount, outstanding, but it was very much more than this, and the Dominion assumed the responsibility. It was not taken into account in ascertaining how much should be allowed the province, for the reason, that the province argued that a large portion of them would never be presented for redemption, and it was introduced in our books here as a bookkeeping account. You will find it on the other side of the account in the Balance Sheet, as these notes are presented.

## PROVINCE ACCOUNTS.

*By Mr. Ames:*

Q. On page 42, Table VI., 'Provincial Accounts, 5 per cent, \$3,993,202,' how are these province accounts made up? On page 72, I think you will find it?—A. Province accounts, you will find the Ontario and Quebec debt account, that is the net result of the arbitration which settled the province accounts.

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Q. Does Ontario and Quebec acknowledge these?—A. Yes, and pay interest on them.

Q. And the next?—A. 'Prince Edward Island Land Account.'

Q. They acknowledge and pay interest on it and it is deducted from their annual subsidy?—A. Yes.

Q. And the next?—A. That is all.

Q. Is there not another item under the heading of 'Province Accounts'?—A. 'Nova Scotia Debt Suspense Account,' you have just dealt with that.

## QUEBEC HARBOUR COMMISSIONERS.

Q. With reference to the Quebec harbour 4 and 5 per cent on page 42, how long is it since the Quebec commissioners paid interest to the government for the advances that have been made to them?—A. I can give you the amount of interest, but I cannot give you the exact date to which they paid the interest, two and three quarter millions interest.

Q. Two millions and three quarters of interest—then the interest is equal to fully one-half of the principal, that must be accrued interest?—A. For a great many years.

Q. 'Quebec Harbour Commissioners' have made no attempt to pay interest for twenty years back, I suppose?—A. Quite a while.

Q. What security have you for that advance?—A. We hold the bonds of the commission to the extent of \$3,612,802.42.

Q. Of bonds?—A. Yes.

Q. Under those bonds in case the commission defaults in principal or interest have you the right to take the property?—A. That is a legal question to be investigated before giving an answer.

Q. Are you in the same position, with respect to those bonds, that you are with respect to the Quebec bridge?—A. I could not say that offhand, I would have to investigate what the bonds specify.

Q. You cannot tell me what security the bonds really represent?—A. Well, you will find it in chap. 34 of 62 and 63 Vic.

Mr. AMES.—I might say, that if there is any information the Auditor General has in his possession on this matter, we will be very glad to have it.

*By Mr. Ames:*

Q. What recourse have the government in case the interest is defaulted for a term of years? Have the government practically a mortgage that they can foreclose on the property?—A. The statute provides that the interest 'shall be payable by the corporation out of its income from the rates, penalties and other sources of income under this Act; and shall rank as a charge thereon, as provided by section 36 of this Act.'

Q. In case of default on the part of the company, what happens?—A. I will look up that point.

## SINKING FUNDS.

Q. The next items then are the Sinking Funds which cover pages 43, 44, 45, 46, 47, 48, 49, 50, 51 and 52 of the Public Accounts. Of course these Sinking Funds, if I understand rightly, represent moneys that have been reinvested in our own securities?—A. Yes.

Q. And they represent 100 cents on the dollar investment in each case?—A. The Sinking Fund investments are all made in the securities of the Dominion itself, and they are held by trustees.

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Q. As a matter of fact this amount of the Sinking Funds, which is shown on the Balance Sheet, will very much diminish next year, will it not?—A. Yes.

Q. And it will practically disappear shortly?—A. Yes, because since 1885, the Sinking Fund attachment has not been applied to any of our loans.

Q. That is on the loans that have been made since 1885?—A. It was not considered necessary to provide sinking funds.

Q. All the loans floated since 1885 and 1886, do not carry with them any sinking fund provision?—A. No.

Q. We are not making any provision for paying off this debt?—A. That is another thing—not by way of sinking fund, no.

## ST. JOHN BRIDGE AND RAILWAY EXTENSION COMPANY.

Q. Now the 'St. John Bridge and Railway Extension Company, 4 per cent, \$432,900'?—A. That is an advance to the bridge company, and the interest is paid on that regularly.

Q. It is paid regularly?—A. Yes.

Q. And is the property regarded as sufficient security, in case you should foreclose?—A. Yes.

Q. Is that the bridge at Fredericton?—A. No, that is the bridge at St. John, the Canadian Pacific Railway bridge.

## THREE RIVERS HARBOUR COMMISSIONERS.

Q. Now, 'Three Rivers harbour debentures, \$81,760,' how long is it since the Three Rivers Harbour Commissioners ceased paying interest?—A. Some years.

Q. Have they paid interest since 1885?—A. That would run back as far as 1885, I think.

Q. In this case the accrued interest is \$91,000?—A. Yes.

Q. The overdue interest is more than the principal. What steps have the government taken to endeavour to collect the interest?—A. I think we have almost ceased sending them an account.

Q. In order to get your principal and interest, how would you foreclose on the security you have?—A. The security we hold is their bond.

Q. This is a similar case to that of the Quebec harbour?—A. Yes.

Q. Can you secure possession of the Three Rivers harbour under the terms of your bonds?—A. That, I will have to look into.

Mr. AMES.—If the committee think it pertinent, I will examine Mr. Bell in reference to the Intercolonial accounts.

Witness retires.

Mr. G. A. BELL, called, sworn and examined.

*By Mr. Ames:*

Q. You will find on Pages 26 to 29 of the Return—you might first state what that Return is?—A. This is:—

'Return to an Order of the House of Commons dated 26th January, 1909, showing, in respect of the following items which appear in the Public Accounts:—

Intercolonial Railway, Open account.. . . .	\$965,418.00
Windsor Branch, Open account.. . . .	180.34
Prince Edward Island Ry., open account.. . . .	19,687.00

(a) What proportion of these amounts represents moneys due the government, since a date prior to the end of the fiscal year 1906-7:

(b) What part of the amount thus overdue was incurred in each fiscal year prior to 1906-7:

(c) A list of the items included in (a) which represent an amount exceeding one hundred dollars, with name in each case of debtor, date and nature of services'

Mr. AMES.—You will notice, gentlemen, that these are the accounts that are now about two years overdue, and which exceed \$100, and the year in which they were incurred.

#### ATLANTIC AND LAKE SUPERIOR RAILWAY.

*By Mr. Ames:*

Q. You will find on pages 26 and 29 of that Return the account of the Atlantic and Lake Superior Railway. That account is made up from the 30th of November, 1899, and appears to be, mostly, hire for locomotives and car mileage. The amount charged by the government to the Atlantic and Lake Superior Company is \$5,867, and the amount that has been paid by the railway in that same period is about \$106, leaving a balance that has accumulated during the last ten years, of \$5,760.35. Will you kindly verify that, and say if it is correct?—A. Yes, these figures are correct.

Q. You will find another item on page 24, 'Mr. F. E. Came, Montreal. In 1899 and 1900, according to that Return, '70 compound wheels at \$40, \$2,800,'—the wheels were returned, as they were not supplied according to contract, and the net amount of the item is \$2,760.70; for the last nine years the government has had that charged against Mr. Came?—A. That item is made up of 70 compound wheels at \$40 and 'cartage at Montreal from station to F. E. Came's works of steel track material, as per receipted account for Shedden & Co., \$1,235,' making a total of \$2,811.25. There is a credit, by cash, the same year, of \$50.55, leaving a balance of \$2,760.70.

Q. He has paid \$50 on the account?—A. He did that at the time.

#### CARAQUET RAILWAY.

Q. Now if you will turn to the Caraquet Railway—Now the Caraquet railroad is another one of these little branch feeders, which it is proposed to purchase, which runs from Bathurst down the north shore of the County of Gloucester, along the south side of the Baie de Chaleurs. Please consult the account at pages 35 to 44, and tell me if you find that the Caraquet railroad for services rendered between 1889 and 1906, are indebted to the government for \$19,140 which is overdue?—A. Yes, and three cents.

Q. Look at the account, and tell me if, during that time, they were billed by the government for about \$24,000 for car service, for the use of the Intercolonial's cars? Do you find due about \$24,000?—A. No, sir. There is evidently an account here for \$20,717.47. That was up to March 31, 1907, and as against that, there have been cash payments running from 1893 to 1906 of \$5,130.14, leaving a balance of \$15,587.33. That is one account.

Q. Well, roughly speaking, it is all one account. They have accumulated during 10 years an indebtedness of \$20,717, of which they paid \$5,130, leaving a balance of \$15,587 still due?—A. Yes, sir. They have another account which runs up to January 31, 1903, of \$3,409.08, and as against that, there is a credit of \$170.46, leaving a balance of \$3,238.62. There was another account which was balanced on February 28, 1889, of \$349.63, and against that, there is a credit entry for the sale of goods, of \$35.55, leaving a balance of \$314.08 and a total indebtedness against the railway of \$19,140.03.



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Q. Accumulations between 1889 and 1906 on which the railroad manages, as a rule, to pay some small amounts, and the remainder is carried as an asset?—A. Carried as an asset.

Q. In 1907 you will find an account of H. J. Cameron?—A. Yes, sir.

Q. Do you find there an account of a deficit owing by H. J. Cameron since November, 1885?—A. Yes, sir.

Q. What was Mr. H. J. Cameron?—A. I am unable to answer, that was 25 years ago.

Q. It states who he was in the departmental return?—A. I beg your pardon; he was a station master at Pictou, N.S.

Q. Then, this is a defalcation account?—A. Yes, sir, evidently.

Q. Twenty-five years ago?—A. Twenty-four years ago.

## MATAPEDIA BRIDGE (PUBLIC WORKS DEPARTMENT).

Q. That is taken as an asset. Now, look next at the Matapedia bridge, page 81?—A. Page 81 is largely against the Public Works Department.

Q. Yes, that was the Matapedia bridge?—A. Yes, the Matapedia bridge. That matter is under consideration at the present time. I am dealing with that myself with the Public Works Department.

Q. Do you expect to get that money?—A. We expect we will.

Q. I hope you may?—A. It is only a case of taking it out of one department into another.

Q. It should not be taken as an asset, if the other department has no intention of paying it?—A. They have got to pay it. It is simply an adjustment of accounts as between the two departments.

Q. Very well. Now, turn to page 93. You find there an item, 'To shortage of W. Stevens, station master at Dartmouth. Arrested and tried and acquitted.' The amount is \$8,013.73?—A. The jury disagreed.

Q. The government has given up trying to collect the amount and has taken it at 100 cents on the dollar.

The CHAIRMAN.—I suppose you are not going to try and go through all these items.

Q. No, I am just picking out a few. Now, then, P. E. Gallant, page 103. There is an item of \$173 owing since 1884 for freight charges not accounted for. P. E. Gallant ran away to the United States 25 years ago; is not that so?—A. Yes, sir. He was arrested and committed for trial. Before the case got to trial, Judge Palmer released him on a writ of habeas corpus and he skipped to the states.

Q. That is put in at 100 cents on the dollar. Now take page 111, the Hampton and St. Martin's railroad, another of our little branches. You find the item in general here 'car service.' I suppose that means for engine and cars hired to them by the Intercolonial Railway?—A. Yes.

Q. That is, we supplied the rolling stock for this road?—A. Not necessarily. The cars might have been in transit with freight from the Intercolonial railway, and got on this railway; as you know, there is a train rule that they must get cars off their railway by a certain time, or be charged so much. Those are charges against them. I imagine.

Q. In 1903 and 1904?—A. We might have rented them cars, but I imagine it is the other way, because they are very small accounts.

Q. \$1,435?—A. I imagine it would be a good account. It is not an old one, and we are trying at the present time to take steps to collect a lot of these.

Q. Turn to page 113. We find here an asset which is hard to explain: 'May, 1893, to safe in freight office broken open and cash stolen'?—A. At the Halifax station freight office.

Q. It stands as an asset of 100 cents on the dollar?—A. There is no power to wipe it off.

Q. Now turn to page 114. A man by the name of R. Hamilton in February, 1879, thirty years ago, had the privilege to sell newspapers. He owes the government \$1,131 and has paid nothing for thirty years?—A. Well, he only had that privilege for one year and paid nothing on it.

Q. Yet it is taken as an asset. Turn to the next account, the Kent Northern Railway?—A. At what page?

Q. Page 120. I want to show a little more about these railways?—A. That is probably a good account. That is March 31, 1907.

Q. It has been owing since 1899?—A. I beg your pardon, yes.

Q. For rails and fastenings since 1899, \$5,682.88. Now turn to the Londonderry Iron Mining Company, page 124?—A. Yes.

Q. Tell me the indebtedness that they incurred between 1903 and 1906, and what they paid on that indebtedness?—A. From September 20, 1903, to December 31, 1904, there is an account of \$3,291.50 that is for car hire.

Q. On which they paid?—A. On which they paid nothing, evidently—no, that is not right, the credits are all at the end—that is one account.

Q. I think you will find that it totalled \$22,000, and there is a credit of \$1,700, leaving about \$20,000 owing?—A. Yes.

Q. They paid \$1 out of \$10; they owe in the period between 1903 and 1906?—A. In those years they have paid \$1,762.50, leaving a balance of \$20,304.

Q. Well, here is another one; we will come to the New Brunswick Coal and Railway Company, the line which runs up from Norton, which Mr. Emmerson is anxious to take over—

*By Mr. McKenzie:*

Q. Is not that Londonderry item a good one? We regard those people as being solvent?—A. I daresay when the road is taken over, that will be credited to them.

*By Mr. Ames:*

Q. All these roads down there are getting their rolling stock from the Intercolonial Railway, and sitting down waiting for the railway to be taken over?—A. You will find, Mr. Ames, that during the last three or four years there has been none of that; the amounts are small.

Q. These items are all still owing?—A. But there is very little of it going on now.

Q. Now, with reference to the New Brunswick Coal and Railway Company, what do they owe the government, and what have they paid prior to the end of 1906-7? You will find a large item for steel rails and fastenings; all the road was built by this government—how much do they owe?—A. Well, from June 30, 1901, to March 31, 1907, they had a running account with the Intercolonial Railway amounting to \$19,031.47, this is for car mileage, freight balances, ticket balances, repairs, &c.

Q. They paid most of that?—A. They paid \$15,206.13, at various times extended over that period, leaving a balance of \$3,829.34. From November 30, 1902, they had a running account on account of steel rails and fastenings, amounting to \$44,384.11.

Q. How much of that have they paid?—A. On December 31, there is a cash credit of \$4,925, leaving a balance of \$39,459.11 still due.

*By Mr. Nesbitt:*

Q. Do they pay interest on that?—A. No.

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*By Mr. Ames:*

Q. Then, in other words, seven or eight years ago, this railway was equipped with steel rails and fastenings to the value of \$44,384, on which they have only paid less than \$5,000?—A. These were steel rails that evidently have been taken out of the track of the Intercolonial Railway, and replaced by heavier steel.

Mr. CARVELL.—This is quite a good asset, there is no question about that. There is not a dollar of liability against the road at all; it is owned by the New Brunswick government, and is operated by them; it is worth a million dollars to-day, and that is all they owe.

*By Mr. Ames:*

Q. I have one or two more interesting items. Turn to page 180, and you will find that in 1885 a lot of tickets were lost?—A. Yes, sir.

Q. And that is taken as an asset at \$633.90?—A. We cannot write it off. I might explain that that is evidently tickets lost while in transit from the New Glasgow station to the general office.

Q. Lost in the mails?—A. Evidently.

## NATIONAL LABOUR CONGRESS.

Q. A little farther along, you will find an item there, in September, 1906; the Intercolonial railway furnished thirty-one tickets for a delegation to go from Montreal to St. John to attend the National Labour Congress, \$446.40, which they have never been able to collect, and there are a number of items to which I might call attention.

The CHAIRMAN.—Of course, you have made a case for a committee, Mr. Ames; so far as the Intercolonial railway is concerned, I do not see any use following it up any further.

## TOBIQUE VALLEY RAILWAY.

*By Mr. Ames:*

Q. Then there is the Tobique Valley Railway, Mr. Carvell wants to ask about that.

Mr. CARVELL.—For the reason that it is an absolutely good asset, and there is no reason in the world why it should not be paid.

A. The Tobique Valley Railway is an account in 1896, 1897 and 1898, amounting to \$3,691.25; in October and November, 1896, there are cash credits against this account of \$952, leaving a balance of \$2,739.25 still due.

*By the Chairman:*

Q. For locomotive service?—A. For hired locomotives.

Mr. CARVELL.—There must be something lacking in the collection of these accounts, that Tobique Valley Railway has been leased to the Canadian Pacific Railway for the last seven years, they pay 40 per cent of the gross income of the road, and that income is sufficient to pay interest on all bonds, and a reasonable dividend on the stock, and there is no reason in the world why this account should not be collected.

Mr. AMES.—If the committee is satisfied with the evidence put in, in connection with the Intercolonial Railway, it is not necessary to bring Mr. Shannon up here. I am going to move at the next meeting, that the Public Accounts Committee report to the House of Commons that there is need for an examination of the assets of the Dominion, with a view to giving legislative sanction to strike off such assets as are

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no longer valuable, and that the Public Accounts Committee be authorized to appoint a sub-committee for that purpose, or that a special committee be appointed.

Mr. CARVELL.—Will you give some of us a draft of the proposed resolution before making the motion?

The CHAIRMAN.—I think we had better appoint a sub-committee.

Mr. AMES.—I would suggest, if it meets with the approval of the committee, that we ask the Chairman to draw a resolution asking the House for permission to appoint a sub-committee to deal with the assets.

*By Mr. Carvell:*

Q. I notice that there is a number of very large amounts standing against the Canadian Pacific Railway. Here are two items, for rolling stock, \$22,000, and another item of \$19,000. There must be some good reason why these accounts have not been collected.—A. Yes, these are accounts in dispute, and there is a large file of correspondence in reference to them, but I could not give the explanation offhand.

Q. Another item I would like to ask Mr. Bell about, is the charge against the Central Telephone Company for \$200, and the New Brunswick Telephone Company for \$200, can you explain those accounts?—A. No, I cannot, offhand.

Witness retired.

Committee adjourned.

#### HOUSE OF COMMONS,

COMMITTEE ROOM No. 62,

THURSDAY, April 15, 1909.

The Sub-committee of the Select Standing Committee of the Public Accounts, appointed to consider the assets of the Dominion, as shown in the public accounts for the fiscal year ending March 31, 1908, met at eleven o'clock, the Chairman, Mr. F. F. Pardee, presiding.

Mr. CHARLES H. BEDDOE, Superintending Accountant of the Department of Interior, called:

#### MANITOBA SWAMP LANDS COMMISSION.

*By Mr. Ames:*

Q. We will take up the Manitoba Swamp Lands Commission item of \$55,478.22, you can explain that?—A. Yes.

Q. Will you explain to us, in respect of that item, the history of that, more especially, having in view the work of this committee, as to whether that can be regarded as an asset of full value?—A. I might explain to the committee that there are what they call 'Swamp Lands Commissioners' appointed to go over the swamp lands in Manitoba, and make their selection, and, periodically, those lands are made over to the Manitoba government, and the expense of making the survey is charged to the Subsidy Account of the Manitoba government—

Q. With the consent and full approval of the Manitoba government?—A. Yes, and that has been going on now since 1885—I think that was the first year—but the annual expenditure has been included in the Balance Sheet each year for some years; then it is taken out, the interest is added, and the amount is charged to the Subsidy Account.



## APPENDIX No. 1

Q. How often is that done?—A. Well, every four or five years, it appears to have been done lately.

Mr. FRASER, Auditor General.—Annually.

A. It is supposed to be annually, but it seems to have been accumulating for four years now, and I understand that——

Mr. FRASER.—Perhaps I can make it a little plainer. I will give you the practice while I was in the Finance Department

A. While you were in the Finance Department, it was done annually.

Mr. FRASER.—Yes, but I do not know whether it has been changed; perhaps it is not now being charged up each year. The arrangement at the time I was in the department, I am speaking from recollection, was that the charges on these lands were being paid by the Manitoba government as the lands were vested in the Manitoba government, but it was an impossible matter to determine and allot the expenditure to any particular lands, as the commission was at work all the time, and as expenditures were continually being made, you could not say that any expenditure was made on this particular piece of land that was allotted. So we arrived at an arrangement then——

*By Mr. Ames:*

Q. Was that arrangement by mutual consent?

Mr. FRASER.—Yes, by mutual consent. We arrived at an arrangement that on the 30th of June in each year, we would collect what was two years old—I think it was two years—and we made an arbitrary point at which they would pay us. They acknowledged the whole expenditure, but we were not to recover it from them until these lands were vested in the province, so that we drew a line at the closing of the fiscal year, and I think it was the amount due two years before, that would be paid by the provincial government. In other words, they were always two years in arrears.

Q. How much arrear does this \$55,478.22 represent?—A. From 1903-4 to 1907-8 in this statement, (producing statement).

Q. That is your statement?—A. Yes.

Q. Will you file that statement with the evidence?—A. I will.

Statement filed. (See Exhibit B.)

Q. Why has the principle, formerly adopted of paying every two years, been allowed to lapse during the past few years?—A. I suppose it was on account of the selection of the lands that you speak of; they have not come to a decision, but when a decision is arrived at, this whole amount will be charged to the subsidy, and will disappear from the Balance Sheet.

Mr. FRASER.—Yes, the province cannot get away from the payment of that amount.

Q. So that you regard it as a perfectly good asset, which will be deducted eventually from the cash subsidy you have to pay them?—A. Yes.

The AUDITOR GENERAL.—And it is earning 5 per cent interest in the meantime.

*By Mr. Rhodes:*

Q. Do I understand that these lands are now vested in the province?—A. Some of them.

Q. But I mean are those lands, which are represented by the \$55,000, vested in the province?—A. Some of them may be; there are Orders in Council passed frequently vesting swamp lands in the province.

*By Mr. Ames:*

Q. Do you think that everything is being done to secure the promptest possible payment?—A. Yes.

Q. Of this sum of money?—A. Yes, this matter is in the hands of Mr. Young, and I do not think you can find a more energetic officer than he.

Q. Why has this amount not been collected more promptly?

The AUDITOR GENERAL.—There must have been some reason, because we used to deduct it when paying the subsidy every half year; that is, we paid them the amount of the subsidy, less the amount of the swamp lands expenditure. I know I did it for a good many years, when I was looking after the matter, and why this is four years in arrears, I do not know; I have not kept track of it since I left the Finance Department.

t A. We have communicated with Mr. Saunders on the matter, and he said there was no objection to taking it out of the subsidy next year.

The CHAIRMAN.—Whatever it was, he said it would be taken off the subsidy next year?—A. Yes.

Q. Then I suppose it is a perfectly good asset?—A. Yes.

#### ICELANDIC IMMIGRATION.

*By Mr. Ames:*

Q. Now, we will take up the next one, the Icelandic immigration, \$47,700?—A. Well, this is a matter that was dealt with by the Department of Agriculture in connection with immigration before the immigration business was transferred to the Department of Interior. The loan was made in 1877, and it has appeared in the Balance Sheet ever since that year, it seems.

Q. What was the original amount?—A. \$47,700, it has never varied.

Q. That was the original amount?—A. Yes. The Department of Agriculture came to the relief of some of the Icelandic settlers on the shores of Lake Winnipeg. I think it was at Gimli, or some such place. The correspondence shows that some security was taken from them on their stock and implements, but we have failed to locate those securities. John Taylor, the Icelandic agent at that time, seems to have taken these mortgages from settlers, but shortly afterwards a smallpox epidemic broke out amongst them, and there was a military cordon established quarantining them for six months, I think it was, and after that, their houses were burnt, most of them. The settlers were dispirited, the smallpox worked such havoc amongst them that those, who were left, were all scattered; some went to the United States and never returned, and the whole colony was broken up for the time being; those who were left would not assume responsibility for this indebtedness, but they assisted in every way possible in bringing out settlers from Iceland, and in that way, they felt they were paying off the liability to the government. And that was acknowledged, and it went on, from year to year, until 1895, Hon. Mr. Foster was then the Finance Minister, and he asked the Deputy Minister of Agriculture to find out whether there was any security taken for the advances. I have a copy of a written report by Mr. J. Low, Deputy Minister of Agriculture, which will explain the whole situation. At that time it seems that, after listening to all the evidence, they decided to let it slide. The Minister of Justice, Sir Alexander Campbell, said they had no authority whatever, no parliamentary authority to wipe out the indebtedness, but that he saw nothing else but to let the whole thing slide, as it had done, that they could not do anything. Nothing has ever been done since.

*By the Chairman:*

Q. What is the gist of the report, Mr. Beddoe, without reading the whole of it can you tell us shortly what the report is?—A. Yes, I will read a portion of it which explains the situation. (See Exhibit C.)

‘In these circumstances, in 1884, when the late Mr. J. H. Pope was the Minister of Agriculture, he desired to have the whole of the Icelandic advances treated simply

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as immigration expenditure, for which it was found very substantial value had been received by the Dominion, and also of the view of the unsatisfactory and for the most part impossible state of the securities in the circumstances I have stated.'

*By the Chairman:*

Q. Let me ask one question just there: Mr. Pope desired to have this item put in as immigration expenditure?—A. As immigration expenditure.

Q. He wanted it to be taken as an ordinary current expenditure, and wiped off as an asset—A. Yes, I suppose it required a special vote of parliament to wipe it off.

*By Mr. Ames:*

Q. Can it not be wiped off as an asset, without necessarily being included in the budget of expenditure of a given year?

The AUDITOR GENERAL.—Not unless you report to parliament recommending that it be stricken off. That committee in 1882, made recommendations that a certain number of items should be written off, but this was not one of them. I do not believe that it was constitutional, but at the same time, it was accepted and acted on, at that time.

*By the Chairman:*

Q. You say that away back in 1882, the committee reported that this should be wiped off?

The AUDITOR GENERAL.—No, but a lot of other items, which were written off on the report of the committee.

*By Mr. Rhodes:*

Q. The committee reported to parliament, and parliament accepted that report?

The AUDITOR GENERAL.—Yes, When the committee reported, and the report was adopted, it was taken as sufficient authority and the items wiped off. I know that I would take that as high enough authority, if parliament adopted the committee's report.

The CHAIRMAN.—If the report of the committee was adopted that would be sufficient.

The AUDITOR GENERAL.—Yes.

Mr. AMES.—We have a precedent in the records of the committee of 1882, there, I find that the committee adopted a motion that the item, 'St. Boniface Junction Agent,' be struck out. I would propose that it be ordered, in a similar manner, that this item be struck from the assets.

The AUDITOR GENERAL.—I think the idea is that when you strike off an asset, it is practically an expenditure, and therefore that it should be accompanied by a message from His Excellency when the asset is stricken off. But Mr. McDougall and Mr. Courtney considered, that the adoption of the report of the committee, some years ago, was sufficient evidence for them to act upon, and no objection was taken to that course.

A. I was just going to say that away back in 1884, the Deputy Minister of Agriculture referred the matter to Sir Alexander Campbell, who was then Minister of Justice, and according to the report which I have before me:

'Sir Alexander gave it as his opinion that the government had no authority to remit any indebtedness whatever, in any circumstances whatever, without the authority of parliament. But he advised, in view of the representations made to him, that no demands should be made for payment, and the matter be 'simply

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left to slide.' This advice was adopted and no further action has since been taken in the matter by this department.'

That was in 1884 and nothing has been done since.

*By the Chairman:*

Q. Have we an Icelandic agent there now?—A. No.

Q. And these people have all left there?—A. All the original ones, of course, are dead.

Q. And any of the rest of them would repudiate the indebtedness?—A. Yes, we never could recover from them.

Mr. AMES.—The record on the minutes then will be, that 'Mr. Beddoe submitted a statement from the Interior Department in reference to the item of \$47,700, Icelandic immigration. Resolved that this item be struck out.'

#### SEED GRAIN TO SETTLERS.

*By Mr. Ames:*

Q. Now we will take these two small seed grain items.

*By Mr. Rhodes:*

Q. The items are seed grain to settlers, \$3,999.95, and seed grain advances 1895, \$8,074.13?—A. Originally these amounts were \$32,000 odd, and \$52,000 odd; but each year we have been receiving repayments until now, they have been reduced to the amounts mentioned. These items are all covered by liens held on the land so that we have full security for them.

*By Mr. Ames:*

Q. You regard these items, then, as perfectly good?—A. Yes, perfectly good.

Q. And collectable?—A. Yes, we are collecting them all the time, and they will be wiped out eventually.

*By Mr. Rhodes:*

Q. When were these advances made?—A. The first one was in 1890, and the second one in 1895.

Q. Where were these settlers located?—A. They were scattered all through the west; I do not know exactly what part, but in Saskatchewan and Alberta and probably some in Manitoba.

*By Mr. Ames:*

Q. Do you think that, eventually, there will be some small residue which cannot be collected?—A. No, it will all be collected.

Q. You actually have security on the land?—A. Yes, we have security.

The AUDITOR GENERAL.—It bears interest at 6 and 5 per cent.

A. Yes, it bears interest, and if the homesteads are cancelled and the land is taken up by others, they have to assume the liability.

*By the Chairman:*

Q. It forms a lien?—A. It forms a lien.

*By Mr. Rhodes:*

Q. It is largely a question as to the way in which the security is taken, if it is properly drawn, the lien is absolute?—A. Yes, it is absolute.



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*By Mr. Ames:*

Q. It all depends on, whether the land is fit for settlement or not, as to the value of the lien.

*By the Chairman:*

Q. What would the individual loans amount to?—A. It is in small amounts up to \$25.

Q. And sometimes, I suppose, higher?—A. It is all in small loans.

The AUDITOR GENERAL.—The history of these two advances is given in this statement.

(See Exhibit A.)

Witness discharged.

Statement prepared under the direction of the Deputy Minister of Finance of—

‘Sundry assets as shown in the Balance Sheet of the Dominion of Canada on March 31, 1908, and which were taken into account in arriving at the net debt of the Dominion, viz., \$277,960,859.84.’

together with

‘Schedule A—Memorandum respecting sundry assets, as shown in the Balance Sheet of the Dominion of Canada on March 31, 1908, and which were taken into account in arriving at the net debt of the Dominion, viz., \$277,960,859.84.’

Submitted and filed. (Exhibit A, Addendum to Balance Sheet.)

Mr. AMES—This statement is very nicely prepared and it practically gives us all we want for our work.

The CHAIRMAN.—What other items have we to take up? We have the Auditor General here, can we not dispose of some items upon which he can give us information.

Mr. JOHN FRASER, Auditor General, called.

## MILITIA PAYMASTER.

*By Mr. Ames:*

Q. With reference to this item, ‘Militia Paymaster, \$605.49,’ what have you to say about that?—A. The man has been dead since a great many years, and it is absolutely uncollectable.

Q. I see, according to this statement, which has been submitted, that it is a defalcation of Paymaster Hyndman, of Montreal, in 1872.

*By the Chairman:*

Q. You say that is no good, Mr. Fraser?—A. No good at all.

Q. And you think we had better make the same note with regard to this item, as we did with regard to the Icelandic immigration?—A. Yes.

*By Mr. Ames:*

Q. That is absolutely uncollectable?—A. Yes.

Mr. AMES.—Then we will record the same motion with regard to that, ‘Ordered that the item be struck out?.’—A. Then there is the other item, ‘Services and unpaid speeches, \$152.77,’ which is in the same class.

## SERVICES AND UNPAID SPEECHES.

*By Mr. Ames:*

Q. The question is whether any portion of that is owed by some who are still in the House?—A. No, they are all very old.

*By the Chairman:*

Q. You think that had better be struck out?—A. Yes.

*By Mr. Ames:*

Q. You regard that as perfectly uncollectable?—A. Yes, that is not included in the list that I gave you the other day of accounts that are in the King's Printer's hands yet. Then there is the item of the printing contractor, \$2,365.87. That is an amount owing by printing contractor since 1877.

PRINTING CONTRACT.

The CHAIRMAN—That is not good, it has been standing since 1877.

*By Mr. Ames:*

Q. Give us the story of that, Mr. Fraser?—A. The contractor, that did the government work, prior to the time that Maclean, Roger and Company had it, before the Printing Bureau was started, had advances made to him, and this was the balance of the advance that was in his hand. He went out of business, and I believe the estate was not worth anything, and he is dead.

Q. He is dead and his estate is insolvent?—A. Yes.

Mr. AMES.—Then we will make the same recommendation with reference to this item, namely, that the item be struck out of the assets.

GOVERNMENT SAVINGS BANK, DEFALCATION.

*By Mr. Ames:*

Q. What other items are there?—A. The defunct banks.

Q. You mean the Bank of Upper Canada and the Bank of Liverpool?—A. Perhaps Mr. Boville may be prepared to give evidence on that. You might take the 'Government Savings Bank, Defalcation account, \$25,728.13,' that is absolutely no good.

*By the Chairman:*

Q. You say that everything in that item is quite valueless?—A. Valueless.

*By Mr. Ames:*

Q. That is made up of items where the various agents defaulted, is it?—A. Yes, and the government recovered all they can.

*By the Chairman:*

Q. Has the government any system of guarantee bonds now?—A. They never had for these; they are personal bonds, although I think there are possibly one or two cases of loss, where a guarantee bond was taken, that started, about ten or twelve years ago, the replacing of personal bonds with guarantee bonds.

*By Mr. Rhodes:*

Q. Under the old regime, they all required personal bonds, but now they require guarantee bonds?—A. But those who had personal bonds before, are allowed to continue with a personal bond.

Q. But is it the policy of the department now, to require the bond of a guarantee company?—A. Not from these men; the government are gradually closing these banks, and there are very few of them left now. It would be a hardship to demand a guarantee bond from these men; they only get from \$250 to \$400 a year, and if they had,

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to pay any bond, that would be of any value, say for \$10,000 or \$12,000, they simply could not afford it.

*By the Chairman:*

Q. It would almost pay the government to pay the premium themselves?—A. That would be the only way they could manage it.

*By Mr Ames:*

Q. Do I understand that these men are all absolutely beyond the reach of any action for recovery?—A. I think they are all dead with the exception of one, a man named Finlayson, who served his time in the penitentiary; he was a young fellow in the Assistant Receiver General's office in British Columbia, and we recovered a thousand dollars from the guarantee company, and sent him to the penitentiary, and that is a balance of \$138.55 that was not recovered. There is nobody to recover it from.

The CHAIRMAN.—He has wiped that out.

*By Mr Ames:*

Q. Then these other amounts, composing this item, are payments in regard to which you have exhausted every legal means for recovery?—A. Yes, a great many years ago.

Q. There are no further steps that, in your opinion, could possibly be taken to recover another cent out of that \$25,728?—A. I do not know of any. I took charge of that matter some years ago, these were all before my time, but I have been through the papers and I found that legal action was taken in nearly every case. With reference to that large item at Annapolis, there was a considerable sum spent in legal expenses, and all that they recovered, was \$3,164.

*By Mr. Rhodes:*

Q. I notice that, in the case of three items, no name is given, that is, in the case of Truro, Bathurst, Guaco?—A. In those cases the money was stolen, and they did not give the name of the agent because it was not a defalcation.

*By Mr Ames:*

Q. Stolen by parties unknown?—A. Yes.

*By Mr. Rhodes:*

Q. You say these offices are being closed and discontinued?—A. Yes, the government post office has taken over the old government savings banks. These banks were taken over at Confederation from the provincial system, and they were a little difficult to look after, because these men acted like bankers, paying out on the spot over the counter, and taking in the cash, and just as these men die, or as the office becomes vacant, from any cause, the business is transferred to the Post Office Savings Bank.

Mr. AMES.—Then, we may as well have this item struck out.

The CHAIRMAN.—Yes, I think so.

Mr. AMES.—Then, the same resolution will be recorded with reference to this item, that it be struck off.

## EXCHANGE BANK, LIQUIDATION ACCOUNT.

*By Mr. Ames:*

Q. What about the item, 'Exchange Bank, Liquidation account, \$67,337.03?' Are you prepared to give us any evidence about that?—A. None, except that the

government recovered all that it could. I think that in that case, and in that of the Bank of Liverpool, the government exercised its right there, and took over whatever assets were left.

*By the Chairman:*

Q. I suppose that bank is fully liquidated by this time?—A. Yes, fully.

Q. And the assets were all distributed without a doubt?—A. Yes, I think that the government got all the assets there were; they exercised the right of the Crown in the first place.

Q. So that there was absolutely nothing left?—A. No, there was nothing left for the other creditors.

*By Mr. Ames:*

Q. In that case then there is absolutely nothing against which one could collect?—A. No.

Q. Then that \$67,337.03 may as well be struck out?—A. And the Bank of Liverpool account is in the same way.

#### BANK OF LIVERPOOL, LIQUIDATION ACCOUNT.

Q. That is the item, 'Bank of Liverpool, Liquidation account, \$2,930.69'?—A. That is the amount that is left, after the government had recovered all that it was possible to recover.

Q. This bank failed in 1869, and the bank affairs have been entirely wound up; so that there are absolutely no assets left against which any collection could be made?—A. None.

Q. And the director's liabilities have all been 'coined,' have they?—A. I think the directors' liability was called on.

Q. That is the double liability?—A. Yes, I think everything was done that it was possible to do.

Q. How long is it, since the last collection was made on that account?—A. It must have been away back, a long time.

Q. There has not been anything collected on it for thirty years, I suppose; it was in 1869, when the bank failed?—A. It will be a little later than that; I have some dim recollection of it.

Mr. AMES.—Then we will strike out this \$2,930.69 in the same way as we have struck out the \$67,337.03, 'Exchange Bank, Liquidation Account.'

#### SINKING FUNDS.

The CHAIRMAN.—Are there not a great many things here, Mr. Fraser, about which we need not waste any time? Such as the Sinking Funds; they are all absolutely good. We need not waste any time about them?—A. Yes, all of those are good.

Q. Then all of these will stand. Now, then, with regard to Province Accounts, the Ontario and Quebec Debt Accounts, the Nova Scotia Debt Suspense Account and the Prince Edward Island Land Account?—A. They are all absolutely good.

*By Mr. Ames:*

Q. Is that Nova Scotia Debt Suspense Account good?—A. Yes, that is offset against another account; that is perfectly good.



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## BANK ACCOUNTS.

Q. And the Bank of Montreal Special Account, that is good?—A. Yes.

Q. And the same bank's account 'Advance on account of movement of crops,' that is good?—A. Yes.

Q. That has all been paid?—A. Yes.

Q. And the Bank of Ottawa Special Account, and the Bank of Toronto Special Account, and the Bank of Montreal Provincial Note Suspense Account?—A. Those are all good.

## BANK OF UPPER CANADA ACCOUNTS.

Q. And the Bank of Upper Canada Advance Account, what about that?

*By Mr. Ames:*

Q. We will have to deal with those Upper Canada Bank accounts a little more closely; they involve a large sum.—A. Yes, the whole of the Upper Canada Bank account amounts to a large sum, and to what extent you want to go into them, I do not know.

Q. Yes, let us go into them this morning. You say that the Bank of Upper Canada failed in 1866, and the government took over the whole estate from the trustees.

The CHAIRMAN.—Yes, with assets of \$1,590,254.34, as against liabilities of \$3,404,888.03. All these assets were realized on, and these items we have here—

A. There are some credits as well as debits, you must remember.

*By Mr. Ames:*

Q. Well now, here is an asset 'Bank of Upper Canada Advance Account, \$88,699.39,' is there anything left now in the Bank of Upper Canada to liquidate?—A. Absolutely nothing.

Q. Nothing at all; the Bank of Upper Canada was absolutely wound up and it has absolutely nothing left?—A. There is nothing left, a stray note turns up occasionally, but we have not to redeem them any more.

Q. What do you mean exactly by 'Bank of Upper Canada Advance Account,' is that money advanced by the government to the bank, that \$88,699.39?

Mr. SAUNDERS.—That is for the redemption of notes and expenses generally. All their notes were redeemed and charged up against them.

A. All these accounts are largely a matter of bookkeeping.

*By Mr. Rhodes:*

Q. This account represents what it cost the government to take over that bank without having regard to the cost of administration?—A. Yes.

*By Mr. Ames:*

Q. As I understand it, we have a claim against the bank for \$1,150,000, and they have a claim against us for \$96,000 odd.

Mr. SAUNDERS.—That was a debt owing to the old province of Canada by the bank, and at Confederation, we allowed it as an asset of the province and took it over.

Q. The bank owes it to us?

Mr. SAUNDERS.—The bank owes it to us.

Q. And we owe the bank \$96,000?

Mr. SAUNDERS.—If we closed all the accounts, the bank would owe us \$1,150,000.01 less the \$96,000 odd, that we owe them; so that we would lose a little over \$1,000,000.

Q. I cannot see any good reason for keeping any of these items on the books to-day.—A. There is absolutely no reasons, except that there is no authority to strike it off.

Q. We have a claim against them of \$1,150,000, and they have a claim against us of \$96,000, and they have not a cent in the world; so that our claim is absolutely worthless, and there is nobody on their part to make the claim against us.—A. No.

*By the Chairman:*

Q. And we are not liable to redeem their notes at all?—A. No, the time for that expired some years ago; notice was published in the *Canada Gazette*.

Q. I notice here there are 'bank notes in circulation, \$43,301.'—A. There must be the usual destruction, of course, that must have disposed of them. There have not been many of them turn up now for a good many years.

*By Mr. Ames:*

Q. I should think there is nothing left for us to do, but to propose that all the items referring to the Bank of Upper Canada, both on the debit and the credit sides, be struck out?—A. Yes.

Q. And that will really make a difference in the assets of \$96,000?—A. Yes—well, in reckoning the net debt that \$1,150,000 has never been taken as an asset, so that it will really work the other way in ascertaining the net debt, it will improve the situation.

Q. It will improve it by \$96,000?—A. Yes.

#### CALGARY AND EDMONTON RAILWAY.

Q. Then there is the Calgary and Edmonton Railway, special account, that we found to be a perfectly good asset, I think?—A. Yes, that is a live account.

Q. Bearing 4 per cent interest, payable every six months, that is perfectly good?—A. Yes. I think that Cash Suspense Account has practically wiped itself out.

The CHAIRMAN.—What is that 'Cash Suspense Account'?—A. Most of that has disappeared. There is a small balance that represents these old pennies and some uncurrent coin which will be reminted later on.

#### KING'S PRINTER, STATIONERY.

*By Mr. Ames:*

Q. What is this item, 'King's Printer, stationery'?—A. This is to adjust the King's Printer's account; he has to go on with his printing when he gets orders, and when he rendered his bill some of the appropriations were short, and it was taken over here, in order to enable him to adjust his books.

Q. It was really an open account on the part of the King's Printer as against the several departments which had overdrawn their accounts to that extent?—A. They had ordered more printing to be done than they could pay for.

The CHAIRMAN.—But that has been adjusted?—A. Oh, it was paid for as soon as the appropriations went through.

#### CASH SUSPENSE.

*By Mr. Ames:*

Q. What about this 'Cash Suspense Account'?—A. That will disappear when the coin is handed over to be reminted.

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*By the Chairman:*

Q. 'The Canadian Bank of Commerce Special Account,' that is good?—A. Yes.

*By Mr. Ames:*

Q. That is money of the Grand Trunk Pacific, is it not?—A. Yes.

*By the Chairman:*

Q. Then there is the 'Canadian Northern Railway Special Account,' \$764,000?  
—A. That is the same as the Calgary and Edmonton.

Q. Then there is the 'Canadian Pacific Railway Open Account and Land Grant Security.'

## CANADIAN PACIFIC RAILWAY, OPEN ACCOUNT.

*By Mr. Ames:*

Q. What is that little item of the Canadian Pacific Railway 'Open Account?'—  
A. I think it is a disputed account, I am speaking from memory.

*By the Chairman:*

Q. It is a defalcation at St. Boniface Station by the agent, what did we have to do with that. I see that has stood ever since 1882, and it has never been decided?  
—A. Yes, they won't pay it.

Q. Then why does not the government sue them?—A. I do not know the history of that transaction.

Mr. AMES.—Look it up in Exhibit E of that 1882 report; I should think it is outlawed.

The CHAIRMAN.—I do not know how you can do anything with that, it is a dead horse. We had better wipe it off?—A. Oh, yes, take it out; we will never see it.

*By the Chairman:*

Q. 'C.P.R. Land Grant Security, Special Account, \$56,006.66'?—A. That is cash.

Q. Then the items of the Intercolonial Railway, Open Account and Stores Accounts, and the Windsor Branch, they will all stand, and the item, 'King's Printer, stationery'—

Mr. AMES.—That stands, we want to examine into the method of taking stock.

The CHAIRMAN.—The next item is the Merchants' Bank of Canada Special Account, that is all right?—A. Yes.

*By Mr. Ames:*

Q. What is that, cash on deposit?—A. Yes, Grand Trunk Pacific.

*By the Chairman:*

Q. Then the Prince Edward Island Railway Open and Stores Accounts, and the Qu'Appelle, Long Lake and Saskatchewan Railway Special Account?—A. That is the same as the Calgary and Edmonton.

Q. Then there is the Rails Loan Account, that stands, then we have the subjects of these advances for seed grain.

## SILVER 20 CENT PIECES.

*By Mr. Ames:*

Q. I think we can pass these 1908 advances; they are all fresh. How about the 20 cent silver pieces?—A. That just represents the 20 cent pieces.

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Q. How are they being disposed of, are they recoined?—A. Yes, they are being recoined.

Witness discharged.

Committee adjourned.

## HOUSE OF COMMONS,

COMMITTEE ROOM No. 49,

TUESDAY, April 20, 1909.

The Sub-committee of the Select Standing Committee on Public Accounts, appointed to consider the assets of the Dominion, as shown in the Public Accounts for the fiscal year ending March 31, 1908, resumed at eleven o'clock a.m., the Chairman Mr. F. F. Pardee, presiding.

## MONTREAL HARBOUR COMMISSIONERS.

Mr. DAVID SEATH, Secretary, Montreal Harbour Commission, called:

*By the Chairman:*

Q. What is your official connection with the Montreal Harbour Commission?—

A. I am secretary-treasurer of the Harbour Commissioners, Montreal.

*By Mr. Ames:*

Q. Mr. Seath, we have in our hands here a statement—I may say that the object of this committee has been to look over the assets of the Dominion government which are taken into consideration in the reduction of the gross debt, in order to obtain the exact figures as to the net debt, and to examine into the obligations which the various companies and individuals owe to the government of Canada, with the view of making a report to the Public Accounts Committee, and subsequently to the House, as to whether these assets should be dealt with in any different way to the manner in which they have hitherto stood upon the books—in other words our object is to ascertain whether they are worth 100 cents on the dollar. Now there is a statement which has been prepared, perhaps Mr. Fraser can give you a copy of the statement which has been placed in our hands, as to the position of the Montreal Harbour Commission?—A. I have a copy here.

Q. We have taken the statement as it stands in the Public Accounts on March 31, 1908, and we find there an item of \$9,225,000, purporting to be the indebtedness of the Montreal Harbour Commissioners to the Dominion government. Does that figure, \$9,225,000 correspond with your figures at that same date?—A. I do not know. This is a copy from my statement of operations of 1907, in which it says: 'Debt due to the public, \$1,972,000,' and 'Debt due to the Dominion government, \$8,375,000.' That amount is correct. It says, 'Indebtedness to the Dominion government, first of January, 1909, \$10,055,000,' that is correct.

Q. Well, we will verify those figures. These figures given here, \$10,055,000, due on January 1, 1909, are correct?—A. Yes.

Q. In what form did the Dominion government make this advance to the Harbour Commissioners of Montreal?—A. Under the authority of Acts of parliament.

Q. In what form—what I mean by that is, what security?—A. As loans on debentures:

Q. That is loaning actual cash?—A. Actual cash, yes, after the money had been expended, and the statement furnished of the work carried out.



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Q. Does that represent actual, capital expenditure?—A. Actual capital expenditure.

*By Mr. Maclean:*

Q. Did you issue the debentures, and the government hand you the funds?—A. No, they gave us the money, and then we issued the debentures.

Q. It amounts to the same thing; you probably issued the debentures first?—A. No, sir, we never issued debentures until we had the money.

Q. They paid no progress estimates, did they?—A. I make out an estimate of the work—in the first place, the work has to be approved of by the government before we can do it; when they approve, we start and do the work, and if we require any money during the progress of the work, a statement is given that the expenditure has been incurred, and we ask an advance on the loan.

*By Mr. Ames:*

Q. Does this amount include any deficits of running expenses or any interest, overdue interest, or anything of that kind?—A. No, sir, none whatever.

Q. It all represents actual capital expenditure?—A. Actual capital expenditure.

Q. Does it represent work any of which is obsolete?—A. Well, I cannot say as to that; I have only been there ten years. During the ten years I have been there, there has been expended about \$8,500,000, and all those works constructed during the last ten years are now in existence. But previous to that time, there were \$2,222,000 of debentures due to the public, and I think \$1,300,000 due to the government. That represents the works that had been carried out in the Harbour of Montreal previous to 1898. You see, the expenditure on the Harbour of Montreal previous to that date is represented by work that had been carried out from Wind Mill Point to Long Point.

Q. Have other moneys gone into the Montreal Harbour, chargeable to Capital Account, besides this \$10,000,000?—A. Yes, we owe the public \$1,972,000.

Q. Has any surplus revenue gone in there which has been expended?—A. Yes.

Q. I am just asking that question with a view of ascertaining whether the actual works in existence have, to-day, a value, or would represent to-day a value of say \$12,000,000? Would it cost \$12,000,000 to duplicate the actual existing works in Montreal Harbour?—A. Well, I have here a statement, taken from the books of the Secretary Treasurer on the 31st of December, 1908, on account of which debentures have been issued, showing a total expenditure of \$13,007,828.64.

Q. Then the difference between that and the \$12,000,000 would have been taken out of the surplus earnings?—A. Yes, we have a credit on revenue account of over \$800,000, which has been used for that purpose, because they did not borrow money when they had it.

Statement filed. (See Exhibit D.)

Q. Speaking in a general way, from your general knowledge, do you think that the works in the Montreal harbour as they stand to-day could be reproduced for \$12,000,000?—A. No, sir.

Q. So that you feel there is an actual capital investment in property there existing, amounting to more than your total bonded indebtedness?—A. Yes, I think so. As I say, eight and one-half millions of that has been expended in 10 years, so it is all recent expenditure.

*By Mr. Maclean (Lunenburg):*

Q. The cost of the duplication would be greater to-day by reason of—A. By reason of the increased cost of labour.

Q. And materials?—A. And materials.

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Q. What are the obligations to the public in the shape of debentures?—A. \$1,972,000, commencing to mature in 1910 up to 1924.

Q. Turn to page 5 of the Balance Sheet of the Dominion of Canada. What is the item 'Expenditure on revenue, \$264,930'?—A. That is the last statement that went in, that is the statement for last year.

Q. I imagine this is a statement for the year ending 31st December, 1908.—A. Yes, the total disbursements on revenue account and the interest charges, 1908.

Q. When does your year end?—A. On 31st December.

*By Mr. Ames:*

Q. Perhaps, Mr. Seath, with Mr. Maclean's permission, we might finish with the capital expenditure before we consider the revenue part of the statement. Have you received from the Dominion government all the amounts which, under statute, you are entitled to?—A. No, sir, we have under the Act—

Q. What further amounts do you expect to obtain?—A. We have under the Act of 1898, \$110,000; under the Act of 1901, \$65,000; and under the Act of 1907 we had on 31st December, \$1,021,000.

Q. Are those claims in dispute at all?—A. No. We have not applied for them. That was the balance; we have no claim against them.

*By the Chairman:*

Q. You have moneys coming from the government?—A. If we do the work. That is the balance of the loans available.

*By Mr. Ames:*

Q. The balance of loans available on condition that you do the work?—A. Yes.

Q. That is, that you can still do work to the extent of that amount without further legislation?—A. Yes.

*By Mr. Maclean (Lunenburg):*

Q. Have you a list of harbour debentures held by the public?—A. Yes, this is the total list of harbour debentures held by the public, and the list of harbour debentures held by the government. (Handing in statement.) (See Exhibit E.)

Q. Have you any right to pay off the debentures held by the public before they become due?—A. No, we have no provision for that.

Q. No provision for prior payment?—A. No.

Q. By whom are these debentures mostly held?—A. They are held all over, they change hands very often.

Q. Are they held in Canada or in England?—A. There is very little held in England.

Q. And you pay the interest on them directly from Montreal?—A. We deposit the money with the Bank of Montreal.

Q. What other obligations are there against the commissioners, in addition to the debentures held by the public?—A. Harbour Commissioners' Debentures authorized by Act of parliament.

Q. Do they rank as a lien on the property before the government advances?—A. No, they all rank concurrently.

Q. *Pari passu*?—A. Yes.

Q. What would be the position of the government if they should take over your undertaking in return for the bonds which you have issued to them? What would be the position of the government towards the public creditors?—A. They would just have to pay the interest on those bonds.

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Q. That is, the government would have to assume the annual payment of interest?  
—A. Yes.

Q. And the payment of the bonds on maturity?—A. Yes.

Q. Are you planning, as these bonds fall due, to repay them?—A. In 1906, there was \$250,000 due and we got the money from the government paying them 3 per cent.

Q. Have you reason to believe, or is it your desire that as these other debentures fall due they shall be taken up by moneys from the government?—A. It was the policy of the government, that there should be no creditor but the government, that we should not issue any more debentures to the public.

Q. So that the government is gradually replacing the outside public?—A. Yes. You see there are only \$100,000 of debentures held by the public falling due in 1910, and then there is nothing further until 1913.

*By Mr. Maclean (Lunenburg):*

Q. You have no sinking fund?—A. No sinking fund.

Mr. AMES.—That is all I want to ask you about the loans. Does any other gentleman want to ask Mr. Seath any questions on this branch of the subject.

*By the Chairman:*

Q. What is the revenue of the Harbour Commissioners?—A. The revenue last year was \$530,062.29.

Q. Is that the gross revenue?—A. That is the total revenue received from all sources.

*By Mr. Maclean (Lunenburg):*

Q. The total revenue appears as \$529,929 in the statement which I have?—A. I will explain that. I received a telegram from the Department of Marine and Fisheries one day to send them up a statement and I got it ready, took it from the books myself. I could not check it off at the end of the year on account of the cross entries not having been made. But when the books were all balanced the amount was found, to be \$530,062.29. This is from the Auditor's Report. The statement from which you quote, was got up in a day as the Auditor's Report was not completed.

*By Mr. Ames:*

Q. That is your revenue from all sources?—A. Revenue from all sources.

Q. What were your expenses for the same year?—A. Our expenditures for that year were \$651,093.13.

*By Mr. Maclean (Lunenburg):*

Q. Including interest charges?—A. Including interest charges.

*By Mr. Ames:*

Q. That is including all interest charges, whether paid or unpaid.

*By the Chairman:*

Q. When you say your total expenditure was \$651,093, does that include any expenditure on improvements?—A. I mean revenue expenditure.

*By Mr. Ames:*

Q. Then, as it stands, you had an annual deficit of about \$120,000?—A. We had last year.

Q. Is your position in that respect liable to improve?—A. Yes, it will improve this year, because we have the sheds now finished. This year we are getting \$100,500



for the rental of the sheds, an increase of \$70,000 on the account for last year. It was on account of the non-finishing of these sheds that got us into this.

Q. You are hoping to make an arrangement with the government whereby the interest during the period of construction will be added to the total bonded indebtedness?—A. We have asked the government for it.

Q. And that will relieve you?—A. That will give us about \$370,000 according to the figures I made up.

Q. That will mean that your overdue interest account will be reduced?—A. No, no, when we get that, we pay all our interest: we have had to use that money—the interest that we should have paid, we used the money to keep the thing going; we used the money that should have gone to pay the interest, with the expectation, when we get that \$370,000 that we are prepared to pay the government.

*By Mr. Maclean:*

Q. You are not capitalizing the interest?—A. No, sir, it has gone into revenue, and that \$370,000 that we get will be capital expenditure, and the revenue account will be credited with the amount that we charged, and it will go back to capital, because it is charged to revenue here.

*By Mr. Ames:*

Q. Then as I understand, you intend to pay up all arrears of interest as soon as the government gives you the \$370,000?—A. Yes, sir, and we will be in a position to pay it.

Q. And what is the amount again?—A. The amount that we are asking for, of course it is only an estimate—will be about \$370,000; that is the amount I expect we will get for interest during construction; of course that has to be adjusted.

Q. Then it is the expectation and the intention of the Harbour Commissioners of Montreal, as soon as the government has regulated this account, that they will square up that interest account so as to put them in the same position as they were before the works were constructed?—A. The moment the Bill is passed and the loan is authorized, we are prepared to pay the interest.

Q. When you have all these works, your sheds, &c., that are now nearly finished completed, what will be your total interest charge?—A. Well, taking the balance of these loans, I think the interest charged for this year will be about \$420,000.

Q. When you have these works finished will the revenue from them pay your expenses and these interest charges?—A. Well, I estimate that the revenue for 1909, will come within probably \$25,000 of the expenditure, that is taking as a basis the wharfage receipts in 1908, which were only \$295,000, we lost \$25,000 in that item compared with the previous year. If this revenue increases and goes back to what it was in 1907, I think that we will probably be able to meet the whole expenditure.

Q. That is the intention?—A. That is, of course, we are making estimates, showing that we have only \$100,000 for sheds, and if this wharfage will go back to what it was, although we lost \$25,000, as compared with 1907, that should come back this year if we had a good year; and I think we will probably be able to keep just about even. You see our grain elevators were always operated at a big loss, but last year we got in \$45,000, and this year, I think, we will probably get \$50,000 increase in the revenue, because we have a better system.

*By Mr. Maclean:*

Q. What was the export of grain from Montreal last year, roughly speaking?—A. I do not remember what the totals were.

Q. Give it approximately?—A. The total grain export was about \$30,000,000.

Q. How much of that did the Harbour Commissioners handle?—A. We handled about 8 millions.



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*By Mr. Ames:*

Q. I understand that the Harbour Commissioners contemplate asking the government for still further sums to enable them to fit out the harbour of Montreal for handling the traffic which is passing through it?—A. Yes.

Q. Will the expenditure, which these further loans will enable you to make, increase the revenues of the Harbour to a sufficient extent so that the interest of this additional loan will be provided for?—A. It is to be hoped that it will.

Q. Is this money, if the loan is granted, to be expended in productive work?—A. Of course, I cannot speak for the commissioners, but I might say that it is not likely they would ask for money to carry out work that was not going to give them any revenue.

Q. That is what I want to know, if it is to be expended in what they regard as revenue producing work; of course, it might be expended in what could be called ornamental work?—A. That is the policy of the Commissioners, that the money will be spent in revenue-producing work. I might say here, that when we have obtained any loans, the Finance Minister has not been favourable to giving us the money unless we could show him that we would be able to pay the interest before he would make the loan.

*By Mr. Maclean:*

Q. What is the balance of the loan authorized for which you may still issue debentures; you stated it some time ago?—A. The balance to be issued is \$1,195,000.

Q. And you expect that will give you the facilities you want there by the time that amount is exhausted?—A. That \$110,000 of that is available for improvements below St. Mary's Current, and we have applied to construct a wharf at Long Point to cost \$100,000, and we have arranged with the Portland Cement Company that they guarantee us a revenue of 6 per cent on the outlay on that work for ten years.

*By the Chairman:*

Q. You have provided against that?—A. We have provided against that; they have given us a guarantee that if the wharfage receipts in any year do not aggregate \$6,000, they will make it good, that is for a period of ten years.

*By Mr. Maclean:*

Q. Do you carry insurance on the property there?—A. We have the sheds insured, but we have not the elevators insured, they are fireproof.

The CHAIRMAN.—Constructed of cement?—A. A concrete bottom, it could not burn.

*By Mr. Ames:*

Q. You have a fire tug, have you not?—A. We have a fire tug.

Q. And you could deluge it with water along the front there?

*By Mr. Rhodes:*

Q. You say the elevator could not burn?—A. No, sir, the base is a solid monolith of concrete; it is one solid piece of concrete upon which the bins rest.

*By Mr. Ames:*

Q. Just one more question: the loans that the government have made to you are in return for the bonds which you have deposited with the government, when do these bonds fall due?—A. The first series of \$2,000,000—these are all due on the first of July in each year—matures in 1921; the second loan of \$2,000,000, of which we have

drawn \$1,890,000, and will draw the balance next year, will mature in 1926; the next is a loan of \$1,000,000, of which we have drawn \$935,000, and will draw the balance this year, to mature in 1927; then a three million loan, all taken up which will mature in 1929; next a \$250,000 loan, which was a loan to take up debentures held by the government, which will mature in 1923; and the last, a loan of three millions, of which there is still coming \$1,031,000, which we will take up this year, will mature in 1932.

Q. Have you any loans that have matured and not been paid?—A. None, and no arrears of interest to the public.

Q. Your only debtor is the government?—A. The government.

Q. In case you should default in your interest, what legal recourse would the government have against you?—A. They could take our revenue.

Q. Could they take the property?—A. The property belongs to the government.

Q. In just what sense does the property belong to the government?—A. It is Crown property. We are only trustees to administer it. The property is only vested in us for the purpose of our administering it, we cannot sell it.

Q. It is government property?—A. It is Crown property.

Q. Have you any idea at what price the debentures held by the public could be purchased and bought in?—A. I do not know. I am afraid that if you wanted to buy them in they would want a premium on them.

Q. They undoubtedly would. Are there any market quotations which are given, or any sales made, to your knowledge, which would indicate at what price they might expect to be bought?—A. I think Sir William Macdonald holds a very large block of them. He would not part with 4 and 5 per cent investments. He has the largest blocks.

*By the Chairman:*

Q. What did you say was the value of the security?—A. The security is worth 100 cents on the dollar because there is the earning power behind it. We can levy rates always to cover the expenditure, if the government will approve of them. If we are short \$10,000, we could ask to increase the rate on some article. For instance, grain in Montreal is only paying 3 cents, and it should pay 6 cents. If we were to put 3 cents more on grain it would give \$30,000 additional.

*By Mr Ames:*

Q. Then you are not levying all that the traffic will bear?—A. No, we are not. We have reduced the rates in the last 5 years too much. The moment we would get a dollar of surplus, a demand was made upon us to reduce the rates; they never thought that there would be a day when the revenue would fall short.

*By the Chairman:*

Q. So you consider that these loans are covered by security to the extent of dollar for dollar?—A. Certainly. We have been able to meet our liabilities during the progress of the work when the facilities have not been of the best; now we have got good facilities and probably they will bring more trade than we have had heretofore. We have had proof of it this year by the White Star line sending over their passenger boats.

*By Mr Ames:*

Q. I think it would be well for your debenture statement to appear in our report?—A. It will be published in the Commissioners' Annual Report. I might say that our average interest last year was 3.30 per cent.

Q. You mean interest that you paid?—A. Yes, the average rate of interest paid by the commissioners last year on their debentures was 3.30. This year, probably when we get the other balance, it will be about 3½.

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*By the Chairman:*

Q. And your position will slightly improve as you pay off the 5 and 4 per cents and replace them by these  $3\frac{1}{2}$  per cents?—A. Yes, certainly.

*By Mr. Ames:*

Q. In making up your computations with the government, do you compute the interest during the period of construction at the rate of 3 per cent?—A. We have computed it at 3 per cent. We had to borrow money sometimes from the bank, on which we paid 5 per cent. In computing that interest, we took the actual amount paid from the date of the payment of the progress estimate, say to Peter Lyall & Sons, until we got money from the government. The interest charge for that would be at the rate paid to the bank, and then afterwards the 3 per cent paid to the government.

Q. You take the actual money it has cost you?—A. The actual money it has cost. Sometimes we had to get money for the contractor because his estimates were very heavy, running to \$200,000.

Witness discharged.

Mr. AMES.—This is an absolutely good asset; it is not in the form in which I would like to see it, but still it is, from our point of view, absolutely unassailable.

The CHAIRMAN.—Absolutely.

Summarized statement of operations of Harbour Commissioners of Montreal, filed as follows: (See Exhibit F.)

## QUEBEC HARBOUR COMMISSIONERS.

Mr. JAMES WOODS, Quebec, called.

*By Mr. Ames:*

Q. What position do you occupy?—A. Secretary Treasurer of the Quebec Harbour Commissioners.

Q. How long have you been connected with the Quebec Harbour Commission?—A. Over thirty years, sir.

Q. So that you know the history of the commission pretty well?—A. Pretty well.

Q. Now, Mr. Woods, if you will look at that statement (see Exhibit A addendum) we will first take up the advances that are shown to have been made by the government, and see if your statement and that of the government agree as to the various loans which have been made. The loan of 1873 is \$1,200,000, do you find that correct?—A. I have it, sir—I have the total debenture indebtedness—

Q. That might serve our purpose as well?—A. The total debenture loan that we have, comes to \$3,612,802.42. (See Exhibit J, memo. 1.)

Q. That does not exactly correspond with the total advances made, let us see where the difference comes in—that means that you have not exhausted the powers of borrowing given you under the several Acts? Is that the explanation of it?—A. Well, that is the amount I have.

*By Mr. Maclean:*

Q. What are your totals?—A. \$3,612,802.42.

Q. Well, that amount appears on page 6 of this statement.—A. That does not cover all the amounts, sir, we have \$362,000—

Q. You will see, Mr. Woods, if you will just look at the bottom of page 5, and the top of page 6, in the statement which has been handed to you, that there are seven different advances authorized, which total \$4,485,000, and underneath that you see



'advanced to date, \$4,225,211.13,' which sum represents the actual moneys which the government has paid over to the Quebec Harbour Commissioners, the sum of \$4,225,211, or the sum of \$3,612,802.42—A. According to my books there are debentures for \$3,612,802.42, and we have received in addition, up to date, \$474,336.61, for which we have not yet given debentures. But that does not make quite the sum that is mentioned in this statement.

Q. Then that does not make the sum given here as advanced to date, \$4,225,211? —A. The advances according to our books are as I have stated.

*By the Chairman:*

Q. What do your books show?—A. You see your fiscal year closes on March 31, and the memorandum which I brought with me was right up to date, and it was \$3,612,802.42, that represents—

Q. The amount of the advances of the government?—A. The advances by the government for which they hold debentures, and then there is \$474,336.61 which has been advanced more recently, and for which they do not hold debentures.

Q. That makes \$4,087,139.03. Now how is that difference made up?—A. Speaking from memory now, I think that difference must be interest that is in arrears. In 1888, we were paying 4 per cent interest and 1 per cent sinking fund, and in the amount we have paid in interest up to 1889, part of it up to that time was paid out of surplus revenue, but the revenue became exhausted and we paid some of it out of capital. The government decided that we had not the right to pay any interest out of capital. We had a sinking fund of \$225,000, and they applied the sinking fund to the amount that we had paid out of capital, and deducted the balance of \$139,000, which we had, on a new issue of debentures with 4 per cent without sinking fund.

*By Mr. Ames:*

Q. What I want to get clearly on our minutes is a separation between the actual bonded indebtedness and the overdue interest; what sum of money is actually acknowledged by your Commissioners as a part of the capital expenditure and stands as a debt by the Harbour Commissioners to the government?—A. Just the amounts I have given you—that is up to date.

Q. Have you the figures up to the 31st of March, 1908? That is the time we are supposed to take into consideration; what were the figures up to the 31st March, 1908?—A. I cannot tell you that; I only have here the figures right up to date.

*By the Chairman:*

Q. The advances up to date, according to this statement, amounted to \$4,225,211.13? —A. That is only up to a certain date, what I have given you is to a later date.

Q. But your figures up to date are less than what the government say they had advanced up to the 31st March, 1908; there is a difference of nearly \$200,000.

*By Mr. Maclean:*

Q. The government's statement shows that the advances to the 31st of March, 1908, amounted to \$4,225,211, and you say that up to date they have only advanced \$4,087,139.—A. Apparently they have never taken off the rebate of interest which was allowed when we changed our bonds. Actually, the bonds I gave were held by the government, there is no doubt about it.

Q. What was the amount of the rebate?—A. I think it was about \$140,000, they took our sinking fund; we had a sinking fund of about a quarter of a million, some \$225,000—

Q. That is probably the explanation?—A. We had paid interest out of capital, and what interest the sinking fund did not cover was taken off our bonds, and we



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gave new bonds at 4 per cent without a sinking fund, which are the bonds the government holds.

Q. That is probably the explanation, it comes out about square.

Mr. AMES.—Mr. Fraser, the Finance Department will require you to give evidence as to the discrepancy between these two amounts.

The AUDITOR GENERAL.—Yes, we can get at the difference, it will all be on record in the office.

*By Mr. Maclean:*

Q. This was a rebate, it is an abandoned interest charge?—A. An abandoned interest charge, and we gave new bonds for it after that amount had been deducted, to take up the old bonds. The first lot of bonds we gave was for \$2,850,000, I think, that took up quite a number of bonds, and we put all the interest and the capital that was due, after deducting this amount, into one bond, and the first bond was for \$2,845,000.

*By Mr. Ames:*

Q. Will you kindly send to this committee, after your return to Quebec, a statement made up to the 31st of March, 1908?—A. With the greatest of pleasure. I did not know what the committee would want when I came here, but I will prepare the statement and send it. (See Exhibit J, statement 4.)

Q. You had better send it to Mr. Fraser, the Auditor General, and then Mr. Fraser will prepare a statement from his point of view on the same lines.

The AUDITOR GENERAL.—The statement had better be sent to Mr. Boville, Deputy Minister of Finance.

*By Mr. Ames:*

Q. Will you send the statement to Mr. T. C. Boville, Deputy Minister of Finance, Ottawa?—A. I will send a statement up to the 31st March, 1908.

Mr. AMES.—Yes, and the Secretary will please inform Mr. Boville of the fact that Mr. Woods has been asked to send this statement, and request him to prepare a statement along similar lines in order that we may see where the discrepancy is. (See Exhibit I.)

*By Mr. Ames:*

Q. Now, Mr. Woods, to whom does the property that is in the name of the Quebec Harbour Commissioners actually belong?—A. To the Quebec Harbour Commissioners in trust, precisely as Mr. Seath has explained with reference to the Montreal Harbour.

Q. It is on exactly the same basis as the Montreal Harbour?—A. Exactly.

Q. It is really the property of the Dominion government?—A. Of the Dominion government.

Q. Are there any other bonds out with the public?—A. There are \$550,000. (See Exhibit J, statement 3.)

Q. Can you give a statement to the committee as to who holds those bonds, and what interest they bear, and when they fall due?

The CHAIRMAN.—It will not be necessary to say who holds each bond?—A. \$350,000 are scattered pretty well among British companies and others, and \$200,000 are held by the Banque Nationale, but I do not know how long they will keep them.

*By Mr. Ames:*

Q. About when do they fall due?—A. In about 22 years for the \$350,000; they are thirty year bonds, and the \$200,000 issued to the Banque Nationale were issued in 1908, they are also thirty year bonds.

Q. Are there any of those bonds held by the public which are overdue?—A. No, sir.

Q. Neither as to principal nor interest?—A. Neither as to principal nor interest.

Q. You pay interest then to the public?—A. We pay interest to the public.

Q. How does your interest account stand with the government?—A. We owe government interest from 1888; 1899 would be the first that falls due, but I would like to mention to the committee that for 25 years—this we put as an offset against out interest, although it has never been settled—the government has taken possession for immigration purposes of a large portion of our property. That has been increased from year to year, until now nearly one half of the best portion of the embankment, and part of the breakwater, namely, one-half of our whole front has been used by the government for immigration purposes. In 1908 nearly 100,000 immigrants were landed there, and in 1907, 150,000 immigrants, that is simply immigrants inwards, counting nothing for cabin passengers or passengers outward, and for these there has never been any charge made.

*By the Chairman:*

Q. There has been no revenue from that source?—A. We have received no revenue; the question has never been settled, it has been left in abeyance, although it is nearly three-fourths of our whole business.

*By Mr. Maclean:*

Q. What is your total interest account owing to the public and the government?—A. There is nothing due, except to the government.

Q. I mean what is your annual interest charge, supposing you paid it?

Mr. AMES.—The Finance Department does not take overdue interest as an asset. They have ceased to take it as an asset.

A. It will be about \$180,000.

*By the Chairman:*

Q. What is your revenue?—A. It was about \$106,000 or \$107,000, and it was about the same last year.

*By Mr. Ames:*

Q. After paying the interest on the bonds held by the public you have an excess of revenue of about \$10,000 a year?—A. Sometimes it is more, \$20,000, sometimes.

Q. And that represents all that you have towards the payment of interest on the sums which the government have loaned you?—A. So far, sir.

Q. Are you in a position to increase your earning powers or to decrease your expenses?—A. We will certainly be able to increase our earning powers; it is only very recently that we have been getting the complete traffic of the Empress steamers, and other steamers have been making it their terminal within the last few years. There has been a great change recently in conditions at Quebec. Ten years ago there was nothing but the lumber traffic at Quebec, but now we are getting the larger traffic of the Empress steamers and others, which we hope will stay there. I think there is every probability of a good increase in our revenue.

*By Mr. Maclean:*

Q. Do you expect to make further expenditures on capital account?—A. We can spend the money that we have authority from the government to borrow from the

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public. I understand we have still \$800,000 to expend yet. Of course we are improving the port in every way, building new sheds and improving our accommodation.

*By Mr. Ames:*

Q. You are, in these additional expenditures, only proceeding, I suppose, at the rate that your surplus revenue will allow you to pay interest on the bonds to the public?—A. About that, sir.

Q. You are not making any provision for paying interest to the government?—A. No, we have not. It will depend on our increase in traffic and the increase in our earning powers.

Q. Yes, but you are now undertaking a new indebtedness towards the public, and are absorbing what additional revenue you may be able to obtain by this new work?

*By Mr. Maclean:*

Q. Are they increasing the indebtedness towards the public?—A. Well, we have \$200,000 borrowed, and we have the right to borrow \$600,000 more; possibly in a year or so, we will borrow that, but we are going on very carefully, and only making extensions and new additions when they are wanted.

*By Mr. Ames:*

Q. Do these debentures rank ahead of the government claim?—A. Yes, sir.

Q. They are a prior claim on your property?—A. By Act of parliament.

*By the Chairman:*

Q. How much would your revenue be, provided you had this portion of the Harbour that you say is taken up for immigration purposes?—A. It would be a very large amount, but it would be hard to say how much.

Q. Can you estimate it at all?

*By Mr. Maclean:*

Q. All that it would mean would be the interest on the cost of duplicating such work as would accommodate the government's needs.—A. That would be a very large sum, sir; it will cost I think nearly as much as our whole property cost.

*By the Chairman:*

Q. Would there be any considerable addition to your revenue from that source?—A. A very considerable addition.

Q. Would there be, in your opinion, a sufficient increase in the revenue to enable the Commissioners to meet their indebtedness in their interest payments to any large extent?—A. Not at present, but I think with our prospects in the future it would be very nearly sufficient to meet the indebtedness for the money we have borrowed.

*By Mr. Ames:*

Q. Your indebtedness to the government is \$120,000 a year?—A. Yes, sir, \$120,000.

Q. That will mean that you will have to more than double your whole revenue?

*By the Chairman:*

Q. Your whole revenue is \$106,000 now?—A. It would not perhaps meet it all, but it would go a very long way towards it.

*By Mr. Ames:*

Q. Any additional to your revenue that might be hoped for in the future would be taken up by the additional bonds that you are issuing to the public?—A. We can-

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not issue bonds without authority from parliament, and they gave a preference to these bonds, otherwise nobody else would have them.

*By Mr. Maclean:*

Q. The C.P.R., I suppose, pay freight charges?—A. Yes, and we hope to have the new line. In fact trade has completely changed in Quebec within the last five or six years; we have very little lumber now, and we are getting what is making the trade of Montreal, general cargoes, to a large extent. We have the sheds and everything else, the wharfs, &c., which are available for that trade, we do not want them for lumber.

*By Mr. Ames:*

Q. In case the government should decide to foreclose your bonds—has the time of any of those bonds you have given to the government expired? Do you remember?—A. In 1910, I think it is they expire.

Q. They expire in 1910?—A. I only looked at the first ones, but I think it was 1910.

Q. Then the principal that you have borrowed from the government will be payable in 1910?—A. I think so, but I will not be positive. I can get that information and send it up if you wish.

Q. That will be important. Are you making any provision at all to pay that?—A. No, sir.

Q. And supposing that the government should decide to exercise the rights it has under those bonds, what do those rights consist of?—A. It would consist of taking possession of our property, except that the government would be liable for our obligations. The only debt that we have is what I have mentioned, that \$550,000 to the public. We have no other creditors.

Q. You have no creditors other than that?—A. No, sir.

*By Mr. Maclean:*

Q. Why were those bonds issued to the public? Were those the first issue?—A. The \$550,000?

Q. Yes?—A. \$350,000 were the first issue.

Q. Those were issued before the policy of the government intervention or aid was adopted?—A. No, after; that was just recently, you see.

*By the Chairman:*

Q. Why do they allow Quebec to do that when the policy in Montreal is to take up all the indebtedness to the public and take it over themselves?—A. I think that in Montreal they allow them to issue a large amount of bonds to the public.

Q. But not in recent years. If you do not pay the government the interest due, and if you fail also to pay interest to the public, the government is that much further back.—A. When the bonds were issued the government advanced us the money. All the work has to be done under the joint recommendation of the Minister of Marine and Fisheries and the Minister of Public Works, and when we sent in the engineer's certificate we got a cheque back and issued our debentures for the amount.

*By Mr. Ames:*

Q. How long is it since you issued your last bond to the public?—A. The last bond to the public, sir?

Q. Yes?—A. In 1908—September, 1908.

Q. When was the authority given by parliament to issue those debentures?



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*By Mr. Ames:*

Q. That is for advances?—A. It is in the statutes of 6-7 Edward VII.

Mr. MACLEAN.—This statute is the authority for issuing \$4,485,000, but they have really only advanced \$4,225,000.

*By Mr. Ames:*

Q. My question, Mr. Woods, is this: when did you last secure authority to borrow from the public?—A. It was by the statute of 6-7 Edward VII., chap. 36.

The CHAIRMAN.—That will be in 1907.

*By Mr. Ames:*

Q. By that statute you were given power to make new borrowings from the public, and to give the public as security, a prior claim on your property prior to the claim of the government?—A. For \$800,000.

*By Mr. Rhodes:*

Q. You stated in the beginning of your evidence that the Quebec Harbour Commissioners were on the same footing as the Montreal Harbour Commissioners, that is, that the property is owned by the government?—A. The property is held by the Quebec Harbour Commissioners in trust.

Q. In trust for the government?—A. For the government.

Q. In the same manner in which it is in Montreal?—A. In the same manner in which it is in Montreal, and if we wanted to issue bonds or anything else we had to get the government to give us authority to do so.

*By Mr. Ames:*

Q. With regard to this \$800,000 which you were authorized to borrow, have you yet borrowed it all?—A. \$200,000.

Q. You could borrow the other \$600,000 without coming to parliament?—A. Certainly.

Q. And if you borrow the other \$600,000 at, say, 4 per cent, that will be an additional interest charge of \$24,000 a year on you?—A. Yes, it will about cover our present position.

Q. I cannot see how, if you expend that additional \$600,000 you can expect any other result than that your interest charge will amount *pari passu* with your increase in revenue?—A. We certainly expect that the revenue will increase, we do not expect our revenue to stand at the present rate.

Q. And I do not see how the government's position is better, in fact it seems to me to be worse.

The CHAIRMAN.—It is in exactly the same position as a second mortgagee is.

Mr. AMES.—Only that this additional earning power will increase the revenue to such an extent that it will more than cover it.

*By Mr. Maclean:*

Q. Do you mean to say that there has been an actual conveyance of this property to the Harbour Commissioners?—A. No, sir.

Q. When you say, 'in trust' that does not amount to anything, does it?—A. The Act says that the Harbour Commission is a trust and that the Harbour Commissioners hold that property in trust.

Q. It simply declares that the property is vested in them for the purpose of operation.—A. For the purpose of operation.

*By Mr. Rhodes:*

Q. Mr. Woods means that they hold it in trust, first for the private bondholders, and secondly for the government. They do not hold it in trust for the government any more than they do for the private bondholders.

*By Mr. Ames:*

Q. Are the members of the Commission all appointees of the federal government?—A. Five are appointed by the federal government and four are elected; two by the shipping interests of Quebec, one by the Board of Trade of Quebec and one by the Board of Trade of Lévis.

Q. But all under a federal statute?—A. All under a federal statute.

Q. Have you any evidence you want to submit on this subject, Mr. Fraser?

The AUDITOR GENERAL.—No, sir.

Mr. AMES.—Well, then, Mr. Woods will prepare a statement up to the 31st of March, 1908, and send it to Mr. Boville, and Mr. Boville will also prepare a statement so that we will see where the discrepancy lies. (See Exhibits J and I.)

A. And the date of the bonds you want too?

Q. You had better give us a list of the bonds outstanding with the public and when they expire.—A. I might mention that I have brought with me—I thought perhaps the committee would ask for it—a valuation of the property which we have recently had made. We had the property valued by Mr. E. J. Chamberlin, the Hon. John Sharples and Mr. J. J. McCarthy. They valued the real estate, which is the principal part of the property of the Commissioners. There were two other valuers for the warehouses, the stores and the landing sheds and sundries. I have the originals of these valuations here, and \$8,250,000 is the total valuation.

*By Mr. Ames:*

Q. That statement is very important and it ought to be filed I think?—A. I did not know exactly what was wanted and I brought these valuations with me.

*By Mr. Maclean:*

Q. Just put those valuations in?—A. I might say that Mr. Chamberlin said he could sell the property for the price at which they valued it.

Valuation filed. (See Exhibit G.)

*By the Chairman:*

Q. This valuation without the building, machinery, tools, dredges, &c., is \$7,593.-840.45; what is the valuation for the sheds?—A. The valuation for the sheds was not made by the same valuers, here it is.

Q. What do they value the remaining portion of the property at?—A. \$627,799.76, as follows: (See Exhibit H.)

Witness retired.

#### THREE RIVERS HARBOUR COMMISSIONERS.

Mr. GEORGE BALZER, Secretary of the Harbour Commissioners, Three Rivers, called.

*By Mr. Ames:*

Q. What is your position?—A. I am secretary of the Harbour Commissioners of Three Rivers. I desire to state that I am unable to produce the records of the Commission for the reason that all their documents and everything else were burned

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during the big fire in June of last year; not a single document was left. But I will give you all the information that I have in my possession.

Q. Since how many years have you been secretary?—A. From the very beginning.

Q. I know the Balcers are a very old family in Three Rivers. What was the total amount of your indebtedness to the Canadian government on the 31st of March last, can tell us?—A. \$82,000 that the federal government assumed in 1885.

Q. You say that the federal government 'assumed,' can you give us the history of how that came about?—A. Yes, I can. By the first Act of parliament creating the Harbour Commission, the Harbour Commissioners were authorized to issue \$300,000 in debentures. Under that Order in Council we issued debentures up to about \$70,000 and built the first wharf. In 1885, we were not in a position to meet the interest, and the government assumed \$82,000 of those debentures and redeemed those which had been issued to the public, but withdrew the powers contained under the original Act of parliament to issue the remainder of the debentures. This went on for I cannot tell exactly how long, but about 1892 by the Act of 55-56 Victoria, chap. 3, we again received authority to issue new debentures which had priority over that \$82,000 held by the government. At that time we paid \$15,000 to the government for back interest, but from that time we have not paid any interest on the \$82,000; but we have issued at several different times debentures to the amount of \$190,500, which are held by the public and on which we paid interest to the public.

Q. What is your annual revenue?—A. For the last year, 1908, the revenue was \$19,978.

Q. And what were your expenses?—A. Our expenses, including interest on the debentures and the sinking fund, were \$16,483.35 for revenue account.

Q. That is including the interest on \$190,500 debentures?—A. On the \$190,500, yes.

Q. And the sinking fund on that \$190,500?—A. Yes.

Q. How much is the sinking fund?—A. It amounted to 1 per cent, \$1,905.

Q. How much have you accumulated by way of sinking fund towards the repayment of that \$190,500?—A. All that is charged up and paid into the sinking fund, according to the issue of the debentures, step by step, and it amounts to-day to about \$22,000.

Q. You have about \$22,000?—A. Yes, of sinking fund.

Q. On hand towards the extinguishment of that \$190,500?—A. Yes.

Q. When does that \$190,500 fall due?—A. In 1923.

Q. How is the sinking fund invested?—A. In deposit in the bank, in the Bank of Quebec.

*By the Chairman:*

Q. Is it a cash deposit?—A. A cash deposit.

*By Mr. Ames:*

Q. At three per cent?—A. At three per cent.

Q. You have then, each year, after paying your expenses, your interest due to the public, and your sinking fund, about \$5,000 surplus?—A. Yes, but that is only last year. The government has, as you know, built a very large wharf in the last few years, so that we have had much more facilities, and we have been able to increase our revenue as a result. But for a long time we have had only very small wharfs; we have been building small wharfs and the revenue did not increase. Although we, last year, had a balance to the good, the year before, we had a deficit; every year we had a small deficit, so that we found trouble in making both ends meet.

Q. Well, now, last year you were able to pay interest?—A. Last year we were in that position. But we have a small reserve fund of \$8,000 or \$9,000 which we

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accumulated some time ago when we had very few debentures out, and we have been using that reserve fund to meet the deficits, but now we want, if possible, to put back into that reserve fund what we have been drawing out for that purpose.

Q. Are you going to issue any more debentures which will form a prior claim to that of the government?—A. We have the right to issue \$218,000.

Q. How much?—A. \$218,000, the balance of the \$300,000 for the issue of which permission was originally granted to us.

Q. You have the right to issue \$218,000 more than the \$190,500?—A. No, I beg pardon; \$218,000 altogether. That makes \$27,500 more to be issued. The government, since the last three or four years, have built the wharfs themselves, so we have had no other expense further than that of maintenance.

Q. You get everything now from the government that you want so that you do not have to pay anything more yourselves?—A. We intend applying that \$27,500 to make a thorough repair of the old wharfs, and we do not need to go before the public for any wharfs in the future if the government keeps on building them.

Q. When you get your works repaired, you will be in a position to pay the interest annually on the \$82,000?—A. Well, by using the \$27,500 we will have an increase of expenses of about \$1,200, so that it really leaves a very small margin for any—

Q. Sinking fund?—A. Oh, we pay the sinking fund always, you know.

Q. The sinking fund is included in your expenditure?—A. Certainly. We had \$3,500 of surplus last year and that you see is rather a small amount, and we may not always have that much; last year was a pretty good year; the best year we ever had.

Q. At what rate of interest does this \$82,000 stand?—A. At 5 per cent and 1 per cent sinking fund.

Q. But you are not paying a sinking fund, nor the interest either on that \$82,000?—A. Oh, on the \$82,000?

Q. Yes?—A. No.

Q. What rate of interest is there on the \$82,000?—A. Really, I do not know, perhaps Mr. Fraser can tell you.

Q. It is so long since you have paid the interest on it that you have forgotten the rate?—A. I think it was 4 per cent.

*By Mr. Maclean:*

Q. At any rate it amounts to \$91,000 now.—A. \$91,000? It cannot possibly be, that must be a mistake because in 1895, when we paid the \$15,000 we wiped out all the interest up to that date.

Q. All due to the government?—A. To the government, certainly, we paid that to the government and it was mentioned in the new Act of parliament that we have to pay that \$15,000 before we can issue one dollar of additional debentures.

Mr. MACLEAN.—Do you notice that statement, Mr. Chairman, that he says they have paid the interest down to 1895, that in 1895 they wiped out the interest?—A. No, no, in 1895 we wiped out the interest by paying \$15,000 to the government, the Quebec Bank sent the money to the Finance Department and the amount of debentures to be issued were sent to the Quebec Bank.

*By Mr. Ames:*

Q. I think we shall have to ask Mr. Balcer to prepare a detailed statement of the interest which his commission owes to the government, from his point of view, and then we will have to ask the Deputy Minister of Finance to also prepare a statement of the interest due from his point of view?—A. By the Act of parliament, 55-56 Victoria, Chap. 10, we paid to the Dominion government—it is mentioned



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specifically that we have to pay—\$15,000 interest due before we can issue any debentures that is established by the Act itself, so that the interest can only run from that date, commencing with 1896. (See Exhibits K and L.)

*By Mr. Ames:*

Q. That is a matter which you and the Finance Department can, of course, prepare statements upon, and we will see where the discrepancy lies. As a matter of fact interest is not taken as an asset, so that we do not deal with it. We are dealing with the capital amount only.—A. We owe the capital, \$82,000.

Q. And you do not remember what the annual rate of interest was?—A. 4 per cent we paid.

Mr. MACLEAN.—As between an asset that never paid interest and one that paid interest up to ten years ago, there is, of course, a great difference.

*By Mr. Ames:*

Q. So that last year you had a surplus sufficient to pay your interest for the year to the government?—A. Yes, last year we might have paid it, at all events we did not do it.

*By Mr. Maclean:*

Q. Did the fire have anything to do with the increased use of your harbour?—A. No, on the contrary the fire was rather adverse, because, if you will think for one moment, the place was perfectly ruined; it is a wonder how it has recuperated, it is really a great wonder.

*By Mr. Ames:*

Q. Does this property that your commissioners have under their control belong to the government?—A. Exactly the same as that of Montreal and Quebec, we are on a par with them; the Harbour Commission, in each place, has been established on the same basis.

Q. Have you had any valuation made of that property?—A. The valuation can be roughly made at the expense we have incurred. We have 1,342 feet of cribwork wharf with a depth of water of from 25 to 30 feet, and about 200 feet wide. That has cost to build, with the filling, &c., about \$200,000; we have 320 feet of wharf, also with 20 to 30 feet of water, the construction and filling of which has cost \$37,500; we have a third wharf, 300 feet long that would cost \$30,000 and then we have Dean's wharf, 420 feet front, which is included in the new wharf built by the government and that big wharf which has cost us in approaches and construction \$48,000. Now, we have given that to the government when the government has given us no return for it, so that it would be rather strange if the government should claim from us interest on the \$82,000, when the Harbour Commissioners have given to them property worth \$48,000.

*By the Chairman:*

Q. Did they take it over at a valuation at all, or did you give it to them without valuation?—A. Without valuation, good property in Three Rivers, and that is exclusive really of the ground; but we estimate that the value of the property of the Harbour Commission in Three Rivers amounts to at least \$450,000, to \$500,000, value of the ground is taken into consideration. I do not say it to flatter Three Rivers, but we have 200 cents to pay every dollar that we owe, even including the \$82,000 that we owe the government, and whenever the government takes over the whole thing they will have double the value of what it has cost them.

*By Mr. Maclean:*

Q. Do you do much repairing each year?—A. No, it costs about \$1,500, but it increases. Since the fire we have spent on construction account \$3,200; we did that in order to get the benefit of the rubbish that the fire created, and which we utilized to raise up our wharfs three feet on the average. In doing that work, we expended about \$3,200, and as that was not really repaid work, we charged that to construction account, and so we balanced our revenue with our expenditure.

*By Mr. Ames:*

Q. It is not difficult to put away a little surplus of \$3,500?—A. No, we spent the amount that I have named.

*By Mr. Maclean:*

Q. The government owns all the property, you know?—A. The same as in the case of Montreal and Quebec, it is absolutely on the same footing.

*By Mr. Ames:*

Q. If the government wanted to exercise its rights of taking the property over, they would merely have to pay your debt and pay off the debentures?—A. That is all, that is the whole thing. But towards meeting the debentures when they become due, there will be about \$45,000 to \$50,000 in the sinking fund deposits, which does not exist in the case of either Montreal or Quebec.

Q. That is due in about 1923, you say?—A. In 1923, yes, so that with the amount that will then have accumulated in the sinking fund, there will remain very little to be paid by the government.

Q. You spoke of a small reserve, that you had, that I suppose is the accumulation of occasional surpluses?—A. Yes.

Q. How much did you have in the reserve?—A. Between \$8,000 and \$9,000.

Q. How many years did it take you to accumulate that?—A. That was after the government had taken hold of the \$82,000 debentures when we had no interest to pay on the debentures.

Q. That is since 1895?—A. It was in about four or five years, we accumulated \$1,200 in a year, until we accumulated between \$8,000 and \$9,000.

Q. Then it took 12 years to accumulate that?—A. No, we accumulated that in about four years, we had not any interest to pay on the debentures, and the revenue did not increase accordingly with our expenses; so we used that to pay the deficits.

Q. What I wanted to ascertain was, how many years it took you to accumulate that \$8,000 or \$9,000?—A. That is the misfortune, I have not a single paper left to establish that, I have given it twice to our deputy, the Hon. Jacques Bureau and perhaps he may have it.

Q. Did it take you five or six years to accumulate that amount?—A. Yes, sometimes we would have \$1,200, and sometimes \$1,000, and sometimes less.

Q. So that your ordinary surplus ran from \$1,000 to \$1,500, say?—A. Up to last year, that is the first year we have really had a surplus in the revenue, but for the last seven or eight years, we have always had a deficit; but now we think we will be able to do better, because we have facilities which we had not before.

*By the Chairman:*

Q. You have more assets than you ever had before?—A. Our assets, even without speaking of the ground, we have \$331,000 that we have actually laid out.

Q. And all the works upon which that money was expended are in good repair?—A. Yes, well they require a certain amount of repair always, and we wanted to use that \$27,500 to make a thorough repair of the old cribwork.

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*By Mr. Maclean:*

Q. There will be no danger of your stealing all the business from the Montreal Harbour Commission and destroying that asset?—A. No, sir, one thing is certain, that we could help the Harbour Commissioners of Montreal, and we flatter ourselves that we did at one time come to the aid not only of Montreal, but of the whole country; that was in connection with the strike of the Longshoremen in 1894 when we gave them all the help that we could. Besides that we are under the impression that we have the best position for the cattle trade which should not be in Montreal. We have 30 feet of water in front of our wharfs and the width of the channel there is 900 to 1,500 feet. (See Exhibits K and L.)

Witness retired.

Committee adjourned.

## HOUSE OF COMMONS,

COMMITTEE ROOM, No. 34.

THURSDAY, April 22, 1909.

The Sub-committee of the Select Standing Committee on Public Accounts, appointed to consider the assets of the Dominion, as shown in the Public Accounts for the fiscal year ending March 31, 1908, resumed at eleven o'clock a.m., the Chairman, Mr. E. F. Pardee, presiding.

Mr. DAVID POTTINGER, General Manager Government Railways: If you have no objection, Mr. Chairman, will you take up the Prince Edward Island Railway first. Mr. W. T. Huggin, accountant of that railway, is here, and we have some officials of the Intercolonial railway who will be able to give information in reference to matters connected with the Intercolonial Railway. I would like to get through with these witnesses, and send them home as soon as possible.

*By Mr. Ames:*

Our object, perhaps it would be well for me to explain in just a word, that we find the Auditor General and the Finance Department have not the right to strike off any items among the assets of the Dominion, and that consequently, while in an ordinary business the open accounts would be annually purged of all debts that are absolutely uncollectable, in the case of the Dominion assets, these are carried on from year to year, because there is no legislative authority empowering anybody to strike them off. In 1882, I think it was, there was a special committee that went carefully over the accounts of that date, and made a report to parliament; parliament acting on that report, struck out a large number of items. Now this purging of the assets has not been done for 25 years, and the result is that there are again a large number of accumulated items which we are going through with the view of striking those out which are not collectable. Will you tell us where we can get the details of these items composing the open account of the Prince Edward Island Railway?—A. You will find them on page 125 of Part 2 of the Annual Report of the Department of Railways and Canals. I think, perhaps I can tell you what items in that account are uncollectable. I think that is what you want to get at?

Q. That is what we want to get at?—A. At least I can give you an explanation in regard to them.

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## P. E. I. RAILWAY, STORES ACCOUNT.

Q. Well, we will go over the items, can you give us the details of them?—A. Well, the first item there, is 'General Stores, \$81,566.21.' We produce here a list of the stores. (See Exhibit N, statement a.)

Q. What do you produce in verification of that item of \$81,566?—A. A list of the stores on hand as taken on the 31st March, 1908.

Q. Perhaps we had better have a few general questions first. What do these stores consist of?—A. This (producing document) is a list of the stores consisting of everything used in the operation of the railway, almost, from a needle to an anchor; a miscellaneous assortment of stores, axes, adzes, antimony, cement, babbitt metal, baskets, all kinds of stores.

Mr. W. T. HUGGIN, called.

*By Mr. Ames:*

Q. Where are these stores to be found?—A. Chiefly at Charlottetown, in the storehouse.

Q. Do you take account of the stores on hand at the other stations as well?—A. Of stores kept in stock at the stations?

Q. What I want to know is whether this represents stores undistributed, stores, so to speak, in stock at a central point, or whether it represents stores in use at the stations as well?—A. It only represents stores not issued.

Mr. POTTINGER.—Recalled: stores not issued for consumption.

Q. Can you give us any idea as to the method which you employ in valuing stores that have been purchased prior to the current year?—A. When stores are purchased, we charge upon a good many of them, upon most of them, 5 per cent to cover the cost of handling, transportation, &c., and they are issued at that price, and they are kept at that price.

Q. That is not an answer to my question, though. When you come to value your stores at your annual stocktaking, what method of valuation do you use with reference to the stores that are more than a year old?—A. We value them all at the price at which they are issued. The price in which they stand in the books. With most of these things, if they are years old, they are just as good.

Q. Would they be just as good in all cases?—A. In almost all cases; it is mostly metals and the difference in their value—at all events, it is not like a store where you are selling things.

Q. Supposing it was copper wire that you bought years ago when copper wire was very expensive, and that you could to-day buy copper wire at very much less, what price did you take it at in your stock sheet?—A. We would take it at present prices, but there is nothing of that kind. The prices have been advanced instead of having decreased, as a matter of fact.

Q. Perhaps in some items they have?—A. In most of them.

Q. The first question I want to bring out is whether, when you are taking your annual account of stock, you charge things at the ancient invoice price, or whether you would in any way take into consideration the present market prices?—A. We do in certain cases take the present market prices, yes.

Q. Are there any stores there in your list that might be called obsolete or obsolescent?—A. Well, so far as I know, there is just one item of \$96. I think it is, included in that whole amount, which is of that character.

Q. What is that?



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Mr. HUGGIN (recalled).—It is a patented article that was got some years ago.—A. One of our former superintendents got it some years ago to test, and the article was never used; that is the only article I know in the whole list.

Q. But in that list there are some goods that were purchased two, three, four or five years ago?—A. Not very many of that character, sir.

Q. What do you do with stock for which there is no longer a demand, stock that becomes obsolete, do you sell it?—A. Well, I do not know that we have any obsolete stock except that; I do not know of any, of my own personal knowledge.

Mr. POTTINGER.—It is chiefly in regard to castings that this sort of thing occurs, patterns are changed, we have to keep a stock of patterns on hand, and these castings that become obsolete are turned into scrap and sold.

Q. That is what I want to find out, how vigorously you apply the purging operation and turn it into scrap. When do you go through your stock, and decide what shall be called scrap? Is that done each year?—A. It is done annually.

Q. At the time this account is taken?—A. At the time this account is taken anything that is scrap goes into the scrap account.

Q. At that time?—A. At that time.

Q. Have you any idea of the value of the stock you threw into scrap at this last stocktaking?—A. No, I have not.

Q. Was it a considerable amount?—A. No, it would not be a very large amount.

Q. Have you in that list to-day any articles for which there is no demand at all now?—A. With the exception of the item I referred to, that is for boiler purger, that is the only exception that I know of.

*By Mr. Rhodes:*

Q. Here is an item in the stock list, of \$82 for boiler purger, is that the item you refer to?

Mr. POTTINGER.—That is a material to prevent and remove scale from boilers, and there are a great many different kinds of it in use. As a matter of fact, we do not require that now.

*By Mr. Ames:*

Q. You mean that the water there is pretty good?—A. It is pretty good except at Charlottetown.

*By Mr. Rhodes:*

Q. This account will, I presume, be different from the one you refer to, because there are 41 of them at \$2, \$82.—A. Those are the items I referred to, I thought it amounted to \$96.

Q. I do not find any steel rails in this stock list?—A. Further on you will find the rails.

Q. Do you put rails in your Stores account?

Mr. POTTINGER.—Oh, yes.

Q. Do you allow anything for depreciation in rails?

Mr. POTTINGER.—No, excepting from one grade of rail to another, from a serviceable rail to scrap rail.

Q. You count no loss on the rail by reason of the fact that it has probably been stored out of doors for one or two years?

Mr. POTTINGER.—If they have to be stored a very long time there might be, but you know iron in a mass like that does not deteriorate very much.

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Q. Rails included in this store list would be new rails, would they. They would be enumerated, if they go into scrap?—A. We have no new steel rails, we have good steel rails, good for laying again, but no new.

Q. These rails will be valued not as scrap, then?—A. Oh, no.

*By Mr. Ames:*

Q. What would you value rails at that have been in the road once, and have been taken up and are held for switch purposes, &c.; supposing you have rails on your main line and take them up as you lay heavier ones, and hold them with the expectation of using them on switches, &c.?—A. We put in the new rails at the cost price, and allow credit for the old rails and keep them in stock.

Q. At what rate do you keep second-hand rails?—A. The first item there, is not actually second-hand rails, but they have been there a very short time.

Q. Just answer my question, please, how do you charge them? What valuation do you put on those rails? The ones which were in use and were taken up again and held for future use?—A. \$23 a ton.

Q. That is what you paid for them —A. No, \$26, I think.

Q. Then you have written off about 10 per cent?—A. No, we have not written it off; you understand, it has been charged to working expenses.

Q. That will be equivalent to writing it off. I want to know what valuation you put on them as an asset?—A. The rate given there, \$23.

Q. You really take them at about the rate of new rails of that character and weight?—A. For the reason that we have these heavier rails put into certain parts of the road and they were taken up, that is what brought them into stock.

Q. How long have you held them in stock?—A. These have not been in stock any of them longer than two years. I do not think we have twenty tons of rails that have been longer than two years in stock.

Q. Is there any demand for them?—A. We use them for replacing broken rails, and these are charged out at \$23, and the others are taken into stock at \$9.

Q. These are good enough to be put into the regular main line, are they?—A. Yes.

*By Mr. Rhodes:*

Q. How long have these second-hand rails at \$23 per ton been in use?—A. Some of them only a few years, most of them were taken out between Charlottetown and Summerside.

Q. What do you mean by a few years?—A. Perhaps four or five years. Because we use heavier engines we have to put in heavier rails.

Q. What is the life of a steel rail on the Prince Edward Island Railway, as far as you can estimate it?—A. It is pretty hard to estimate that.

Q. Would it be forty years?—A. Some of them would last forty years, and others again would not.

*By Mr. Ames:*

Q. This 20 tons of scrap iron rails, and this 30 tons of steel scrap that I see here are on sale practically, are they?—A. We can sell them if there is any demand, but for scrap steel rails there is no demand just now.

Q. Have any been sold lately at the prices at which you take them into stock?—A. Just small quantities.

Q. So that you think these can be eventually sold at the prices taken in the inventory?—A. I think so, sir.

Q. Now about ties, I see there is a very considerable quantity of No. 1 Hemlock and No. 2 Cedar ties on hand. How long have these been in hand?—A. They are

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part of the contract of last year, they came in late in the fall—not last year, but the year before—we got them in the fall ready to put in the road in the spring.

Q. Have all these ties been delivered to the railway within the last year?—A. Yes, and more than that quantity within the last year.

Q. That is not what I am asking you. Have all these ties been delivered, these actual ties specified in this list, within the last year. I am not asking whether there are more or less, but have these ties that you take into account here in this list been delivered within the last year?—A. No one can very well say whether they are the same ties or not, because the stock is kept on the different sections. These ties are spread all over the road, and the section foreman makes a report of how many ties he has, and how many he has put in. He might not take the oldest ties in stock, and put them in the track, therefore, I could not say.

Q. Have you in your stock any ties that have been refused by your track layers as unfit for use?—A. No—there may be a few culls there.

Q. How did you come to get those culls?—A. When the contractors furnish ties we find some of them not up to the specifications, and they are taken by the railway at a reduced price.

Q. What use would you have for them?—A. We use them in the sidings.

Q. Have you a constant demand for these culled ties?—A. Yes.

Q. What is the difference between what you pay for culled ties and for No. 1 and No. 2 ties?—A. That is according to the agreement with the party at the time the contract is made. If the culls are first class culls, they are given a certain rate. That lies with the trackmaster, the superintendent and the tenderer. With that I have personally nothing to do.

Q. What do you take the culls here as being worth? About 20 cents each, do you not?—A. About 18 or 20 cents each, yes.

Q. What do you take the regular tie at?—A. According to the class, 29 or 30 cents.

Q. For No. 1 or No. 2?—A. One is hemlock and the other is cedar; cedar is a better tie than hemlock, and lasts a good deal longer.

*By Mr. Rhodes:*

Q. You have down here on the stock list four thousand and odd tons of coal, \$14,000, how do you value that coal?—A. How do we value it?

Q. Yes?

The CHAIRMAN.—What is the value there?

Mr. AMES.—\$14,619.

The CHAIRMAN.—And how many tons?

Mr. AMES.—4,177 tons.

A. It is between \$3 and \$4 a ton.

*By Mr. Rhodes:*

Q. I do not care about the exact amount per ton, how do you estimate the cost of the coal there, is it the price you pay for it plus the transportation?—A. Yes, the price we paid plus the freight charges.

Q. That is the actual cost of the coal laid down?—A. Well, yes, practically.

Q. Where do you get the most of the coal from?—A. We have been getting it from two or three different mines.

Q. Do you know the mines that furnished it?—A. One is the Port Hood Coal Company and the other is the Inverness Coal Company.

Q. Any other mine?—A. Those are the only two last year that I remember.

*By Mr. Ames:*

Q. You have here an item of 30 cases of Japan at \$45, that will be at \$1.50 per tin?—A. That is Japan varnish.

Q. Has that all been purchased within this current year?—A. I could not say as to that, sir.

Q. Well, how is it about paints and oils, for example, which depreciate to some extent if held in stock for a long time; have you any such paints or oil in stock now?—A. I do not think we have any old paints at all.

Q. Nor oil?—A. No.

Q. You have a large quantity of oils here of various kinds?—A. Yes.

Q. That oil is all perfectly good?—A. It is all good, sir.

Q. Now, do you remember what was the total amount of your stock list on the 31st of March, 1907, that is the end of the year before?—A. No, I do not know; if we had the report of the year before, we could tell.

Q. You do not remember?—A. I do not remember the amount now.

Q. Was it much different from this. Were the figures much different from the figures given in this list?—A. I think not, I think we had a slightly larger stock in the year before that.

Q. You probably had a larger stock on the 31st of March, 1907?—A. I think so, speaking from memory.

Q. You reduced your stock to some extent, then, last year?—A. Yes, I think so.

Q. Do you take an account of stock every month?—A. Every month? Oh, no, at the end of twelve months.

Q. How are you able to supply the statement to the Auditor General and to the Finance Department monthly as to the value of the Open Account and stock included?—A. Well, we start with a debit against Stores; for instance, at the first of the year, we debit the Stores with everything that is on hand, and everything that comes in is charged against it, and we credit it with all that is issued, and the difference is the stores on hand at any given period.

Q. Then it is a bookkeeping estimate?—A. That is all it is.

Q. Will you furnish the committee with a statement showing the amount of the Stores Account and the Open Account at the end of each month from the 31st of March, 1908, to the first of January, 1909? I want to get an idea of its variations. You can easily prepare that after you get home, and you can send it to the committee?—A. Yes.

Q. We might as well have the statement of your Stores Account at the end of each month for the whole twelve months up to the 31st of March, 1909, that will cover the whole year.

*By the Chairman:*

Q. Let me understand, you only take stock once a year?—A. We only take stock once a year. The monthly statement would only be the ledger value.

*By Mr. Ames:*

Q. I want that statement to give us an idea of how you do that, so that we may know what the facts are.

The CHAIRMAN.—Do you not want an itemized account?

Mr. AMES.—Oh, no, only totals, that could be made up from the Canada 'Gazette'—well, the Auditor General might just as well furnish it to us, as he has all the information. (See Exhibit M, statement 1.)

*By Mr. Ames:*

Q. I see here that the balance on General Stores Account on March 31, 1907, was \$66,801?—A. \$66,000 was it?



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Q. Yes, \$66,801, and on March 31, 1908, it was \$81,566, so that it had increased slightly rather than diminished?—A. Yes, I see that.

Q. Have you finished your stocktaking yet for the last year?—A. Just about, excepting for the track, we cannot take the track stock until the snow is off the ground.

Q. How soon will you have that statement available?—A. Of all the rest of the stock?

Q. Yes?—A. Well, it will likely be available in ten days after I get back.

Q. The committee might ask you to send a copy of that when you get it ready, if the committee is still sitting?—A. All right, sir.

*By the Chairman:*

Q. Now all these items of stock that you have given us here represent actual live stock that may be called upon at any time for use in the railway?—A. Yes, sir, with the exception of that one item I referred to. \$100 will cover all that is not.

Q. All these you have taken in at a price that they are actually worth?—A. They are good value.

Q. At the price they are good value for?—A. Yes.

Q. And it is taken just the same as any other stock, and it is gone over in a competent way and valued?—A. Yes.

Q. And all the stock that is here is actually live stock?—A. All live stock—with that one exception.

*By Mr. Ames:*

Q. I have nothing further to ask on the stock account. Perhaps, Mr. Chairman, if the committee is still sitting ten days from now when the stock list for the year ending March 31, 1909, is completed, the witness had better send a similar statement for that period to the committee for purposes of comparison?—A. All right, sir. (See Exhibit N, statement b.)

## P. E. I. RAILWAY, OPEN ACCOUNT.

Mr. D. POTTINGER, called.

*By Mr. Ames:*

Q. We will now take the open account of the Prince Edward Island Railway, \$19,687.41. Have you the list of the open accounts here, Mr. Pottinger?—A. Yes, you will find it in the Report of the Department.

Q. That does not give the items, the amounts owed, does it?—A. Yes, the 'General Balance' on page 125 of the Railway Department's Report, part II, will give it.

Q. But it does not tell who owes the amount?—A. Yes, it gives the name of everybody, for instance, the Post Office Department owes us \$12,411.82.

## P. E. I. RAILWAY, DISPUTED ACCOUNT.

Q. Is that claim of \$12,411 an admitted claim on the part of the Post Office?—A. The only part of that item that is in dispute is \$5,457.51, all the other has been paid since; it is a current account.

Q. How long has that item which is in dispute been held back?—A. In December, 1902, the first item occurred.

Q. What was it for?

Mr. HUGGIN.—It is for the hire of special trains in connection with the mail service.

Q. Why has the Post Office Department not acknowledged and paid it?

Mr. HUGGIN.—They claim they do not owe it.—A. I might explain for a moment. For many years, almost from the inception of the winter service between Pictou and Georgetown, the Post Office Department paid the Prince Edward Island Railway for running a special train between Charlottetown and Georgetown to connect with the winter boats, daily if necessary, and they paid for that service \$1 per mile. When Sir William Mulock was Postmaster General he was cutting down expenses, and he refused to pay it.

Q. But you still ran the trains just the same?—A. The railway refused to run the trains, and the public opinion of Prince Edward Island, while the House was sitting at Ottawa, induced the Railway Department to give the order—I do not exactly remember whether Sir William Mulock had to give it or not—but the government gave the order to run the train.

Q. Which department of the government?—A. I do not remember which department of the government, we got the order from the Railway Department. There are a lot of papers about it which we can produce.

Q. Did the Post Office Department at that time assume any authority, or admit any responsibility in respect to that order?—A. We have, I think, a letter from the Post Office inspector of Prince Edward Island, or else from Mr. B. M. Armstrong, the superintendent of the Railway Mail Service, ordering the train to run.

Q. What is the total of the amount in question, \$5,000?—A. The same thing occurred again in 1904, you see and we refused to run the train, but afterwards we ran it.

*By the Chairman:*

Q. Afterwards you ran it; did you run it under instructions from the Post Office Department?—A. I do not know whether we got instructions from the Post Office Department, but I can refer to the correspondence which we have here.

*By Mr. Ames:*

Q. The point at issue is just this, that if the Post Office Department accepts the responsibility, then the cash goes into the receipts of the Intercolonial, and if they do not accept the responsibility, then it is a bad debt as far as the Intercolonial is concerned, and must be deducted.

The CHAIRMAN.—Certainly, that is very true, but Mr. Pottinger said a moment ago that they had ceased running the train in the winter he spoke of, and on the advice of the Post Office Department, after it was off for a time, the service was resumed; if that is so, the money is owing, and why does not the Post Office pay it?

Mr. AMES.—That is not clear.

The CHAIRMAN.—There was a letter.

Mr. AMES.—From a subordinate officer.

The CHAIRMAN.—Not from a subordinate, but from a responsible officer?—A. From Mr. B. M. Armstrong, who was sent down especially to look after the matter.

Mr. HUGGIN.—They paid an amount on account of that item, and that is an unpaid balance, but they reduced the rate and paid 50 cents a mile instead of one dollar; that is the difference.

*By the Chairman:*

Q. And you are sticking out for the other fifty cents?

Mr. HUGGIN.—That is it.

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*By Mr. Ames:*

Q. You have not given them a quit claim?

Mr. HUGGIN.—No.

*By Mr. Ames:*

Q. They claim they do not owe you anything?

Mr. HUGGIN.—Half that \$5,000 on special train account has been paid.

Mr. POTTINGER.—What do they pay for their special train now?

Mr. HUGGIN.—Fifty cents a mile.

*By Mr. Ames:*

Q. What then is the actual amount of your claim at the present time?

*By the Chairman:*

Q. Does that \$12,411 represent your claim against the Post Office Department at 50 cents a mile for the special train?

Mr. HUGGIN.—No, that includes the regular trains as well as the special, the regular trains at the standard rate.

Q. How much of that \$12,411 is in dispute.

Mr. HUGGIN.—\$5,457.51.

Q. And how much of that \$5,457 is at the fifty cent rate?

Mr. HUGGIN.—It will only be a portion of that, but not the whole of it. In March 1905, there is an item of \$2,012.70 charged against them; that amount was for regular trains too.

Q. Is there any dispute as to that?

Mr. HUGGIN.—There is, in this way: They agreed with us to pay us so much a mile per annum for regular trains. The whole road was tied up for a certain number of weeks, and we were unable to forward the mail, but we still debited them with the usual amount. They cut down our charge against them, and that left this amount due from them.

Q. That is \$5,400 odd?

Mr. HUGGIN.—Part of it.

Q. Then as to this \$2,012 they say, 'You never carried out your contract because your road was not in shape to do it, and we will not pay you that,' and the balance they will not pay because they say you charged them \$1 when you ought to have charged 50 cents?

Mr. HUGGIN.—The difference between the 50 cents and the dollar went into effect after that date, so that it is a good claim for us.

Q. Have you anything definite from the Post Office Department that they will not pay it, or is it only a family scrap, that they are just sparring?

Mr. HUGGIN.—I do not know that we have anything from them stating that they will not pay it.

Q. I think it will be a very good plan to go at them one way or the other; it is merely a matter of contract to be carried out. I think it would be better before we attempt to strike it out or to do anything with it, to get a decision from the Post Office Department and know what they propose to do. We might also get the correspondence showing what the contract is. If there has been a violation of contract, let it be enforced, but let us see what position the Post Office takes.

Mr. AMES.—What I was going to suggest was this, that the Prince Edward Island Railway present a written statement of their case before us, and that a copy of that be sent to the Post Office Department with a request that that Department state their

case; that we then transmit the two statements to the law officers of the Crown and ask them to give us a judgment regarding the contract, in order that we may be guided accordingly.

The CHAIRMAN.—I do not think this committee had better do that, it is the department's own business, and let them do it. They can get a ruling just the same as we can.

Mr. AMES.—I think the Department of Justice would be more readily inclined to give a ruling on behalf of a third party charged with the work that has been entrusted to us than they would be for either of the two departments.

The CHAIRMAN.—Well, it is merely a difference of opinion, but I think the matter ought to be brought to a head some way or other; it should not be carried forward from year to year without any definite understanding.

The AUDITOR GENERAL.—If the Department of Justice does give a judgment against the Post Office Department, how is the railway going to collect it.

Mr. AMES.—It will relieve us of all responsibility if the Department of Justice give judgment against the railway, then we will strike it off the asset; if they say it is good, we keep it on the list of assets. I would suggest that the secretary ask a written statement from the Railway Department regarding this disputed account with the Post Office Department, and that he ask a similar statement from the Post Office Department, and that he, as secretary of this committee, transmit the two statements to the Department of Justice asking for a ruling on the matter for the guidance of this committee. (See Exhibits O, OO, and UU.)

*By Mr. Ames:*

Q. Now is there any other item of that \$12,411 in dispute between you and the Post Office Department.

Mr. HUGGIN.—Except that \$5,457.51.

*By Mr. Ames:*

Q. Is there any other item that is in dispute other than the item we have been discussing?

Mr. HUGGIN.—Yes.

Q. You have other items in dispute with the Post Office Department?

Mr. HUGGIN.—Yes, there is another small item of \$96 which they struck off owing to the detention of the mails by snow blockades, they had to hire men to transport the mails, and they struck off our account the amount it cost them to do so.

Mr. AMES.—You had better include that also in the statement which will be submitted to the Justice Department.

Mr. HUGGIN, recalled.

*By Mr. Ames:*

Q. The next item is Cash \$2,464.16. A. That was cash in transit from stations at the time the account was closed, none of it could be got into the bank and credited by the end of the month.

Q. None of that amount is made up of I.O.U's.?—A. Oh, no, every cent of it was there.

Q. 'Station agents \$2,442.03,' have you any detailed memorandum of how that is made up?—A. No, I have no detailed memorandum, but I have a statement showing everything that is in dispute or that is likely to be a bad asset.

Mr. POTTINGER.—That item is for freight in store, &c., at the various stations.



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Q. That represents money due by the station agents to the head office, I understand?—A. Yes.

Q. To the head office at Charlottetown?—A. At Charlottetown.

Q. Are any of these accounts in dispute?

Mr. POTTINGER, recalled.—Yes, some of these items are; for instance, I will hand you this file and you can take a glance over it and see what they are. There are a few very small items in dispute.

A. The amount in dispute is only about \$51.83 for the whole road, it is very small.

Q. 'Statement of items in Suspense,' these are items which you regard as possibly bad debts?—A. Yes.

Mr. HUGGIN, recalled.

Q. With the exception of this \$51.83, has all of the rest been paid since?—A. All the rest has been paid since.

Q. This \$51.83 is the only outstanding amount?—A. Yes, and the amount shown there against the stations would include the 'cash on hand' at that date and the 'freight in store' which would be delivered subsequently and the charges collected.

Q. These items are mostly, I see, for shortages?—A. For shortages, yes; the goods are short received, but the charges remain debited against the stations. There are no shortages against the agents, the goods were never received at the stations.

Q. The shortages are not against the agents in their individual capacity?—A. Not in their individual capacity, the goods were never received at the stations.

*By the Chairman:*

Q. The amounts are very small, they run from fifty cents upwards?—A. Yes.

*By Mr. Ames:*

Q. How long have these accounts been accumulating?—A. Perhaps eight or ten years, that is the oldest of them.

Q. Is there any possible chance of collecting any of these?—A. There may be one or two items on which we may collect on unclaimed goods, there may be items there which will sell for more than the charges; for instance, there are bookcases there against which the charges are two dollars, and these may sell for \$8 or \$10; we may get sufficient from that source to wipe out a large portion of that account.

*By the Chairman:*

Q. How long have you had those bookcases on hand?—A. Speaking from memory, they have been there about two or three years.

Mr. AMES.—I do not think this committee need bother with these small amounts. I should think you might take upon yourself the discretionary power, at the end of the next year, to wipe them out?—A. We would be glad to do that, and to wipe them out every year to make a correct asset, if given authority.

*By Mr. Ames:*

Q. Now, the next item is, 'Accident Insurance, \$2,225.69.'

Mr. POTTINGER. recalled.

A. That is a debit balance which the railway will have to assume for the employees, and pay it. I might explain to you that in 1876 an arrangement was made by Mr. Brydges by which an accident insurance fund was started on the Prince Edward Island Railway. A circular was issued to the employees and the rates of premium that were to be paid by the various classes of employees were named in one column, and there is another column in which was named the contribution that the railway was to make to this fund. The scheme was put into operation in February, 1876, but no contribution has ever been made by the railway to the fund. It was found in operation that the contributions of the employees were sufficient to support the fund and more, and a large credit balance grew up in this fund, so that on the 30th of June, 1894, the balance to the credit of the fund (that is all the employees' money) was \$4,792.04, and the railway had never contributed any share at all.

Q. Was it by statute obliged to contribute?—A. No, it was just a bargain, a circular put out by Mr. Brydges that it should be contributed.

Q. Ratified under the authority of parliament?—A. No, in those days we did not bring everything to parliament. In 1894 we reduced the premiums to be paid by the men below what the expenditure on the fund was, for the purpose of eating up this credit balance, and that has continued till the present time and now it has resulted in this debit balance of \$2,225.69; under the circumstances the railway, of course, has to assume that.

Q. It is a debit balance?—A. It is a debit balance now, the fund owes the railway that much money but the railway is in honour bound to assume it; and what we want to get the employees of the Prince Edward Island Railway to do, is to come into the Employees' Relief and Insurance Association established on the Intercolonial railway.

Q. The fund, as I understand, owes the railway that much, the fund has no surplus now?—A. It has no surplus, it had once, in 1894.

Q. In what form is the fund? Is it a trust, an incorporation of any kind?—A. Oh no, no, it is just in the railway books.

Q. There is no one against whom the railway can claim?—A. No, it has no claim anyway, but the men have a claim, and that for quite a sum on the bargain which was made with them.

Q. I understand you to say that the fund owes the railway?—A. Yes, I tried to make it clear that the fund was established by the general superintendent of that day, and it was to be formed of contributions equally from the men and from the railway, it was to be practically half and half, for every dollar that the men paid, the railway undertook to pay a dollar.

*By the Chairman:*

Q. For every dollar the men paid, the railway was to pay a dollar?—A. Yes.

Q. And that was not done?—A. The men contributed their share, which was deducted from their pay, and the railway never contributed a dollar, although had the railway carried out their part of the bargain they would have contributed by this time thousands of dollars.

Q. That is, had they carried out their bargain?—A. Yes, but it was not carried out; it was found that the contributions of the men were more than sufficient to meet the demands on the fund, and it piled up a credit surplus of \$4,700 to which the railway had not contributed anything.

*By Mr. Ames:*

Q. And you reduced the rates?—A. Yes.

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Q. To an amount which eat up that surplus?—A. Naturally we had to reduce them lower than was necessary to maintain the fund.

Q. But you did not stop soon enough?—A. We did not want to stop, because the railway, remember, had paid nothing.

Q. I understand it now.—A. There is a statement here.

Q. But that will work itself out?—A. Yes, we will make a bargain with the men.

Q. We have no fault to find at all with that. The next item is 'Railway Extension, Charlottetown, \$812.83'?—A. That was charged out during this year, 1909, it was the cost of extending the road——

Q. It has been paid?—A. Yes.

Mr. HUGGIN, recalled.

Q. The next item is 'Department of Militia and Defence, \$603.80.'—A. That has all been paid except \$48.40.

Q. Disputed?—A. Yes, that is for carrying some men to Summerside.

Mr. AMES.—We had better do the same with that account, ask the Prince Edward Island Railway to give a statement of their claim, and then ask the Department of Militia and Defence for a statement of their side of the case, and have the two submitted to the law officers of the Crown for adjudication. (See Exhibits P and PP.)

*By Mr. Ames:*

Q. The next item is 'Intercolonial Railway, \$444.33.'—A. That is all paid with the exception of one small item of \$7.41, which will be settled at once I understand.

Q. 'Canadian Express Company, \$132.68'?—A. That is just a monthly account due which was wiped out the next month.

Q. 'Anglo-American Telegraph Company, \$46.43'?—A. That is a disputed account that accrued in 1876 and 1878.

Q. What steps have you taken to collect it?—A. It was shortly after the construction of the road. I do not know what steps have been taken; it was before I had anything to do with it.

Mr. POTTINGER, recalled.

*By the Chairman:*

Q. It is outlawed anyway?—A. The railway did certain repairs upon the telegraph line because they said the line was not fit to work, but the Anglo-American Telegraph Company said it was fit, and that they were not required to pay the account.

Q. It might as well be written off?—A. There is no hope of getting it at all.

Mr. AMES.—Mr. Secretary, write off that item, \$46.43.

Mr. HUGGIN, recalled.

*By Mr. Ames:*

Q. 'Sidney Grey, \$45.87,' what about that?—A. It is a current monthly account which has been paid.

Q. 'Judge Wetherbee, \$30,' what is that?—A. That is an item in April, 1880.

Q. What is that for?—A. It appears that one of his family was sick and he got a special train to get to the steamer at Georgetown; the cost of the train was \$30, and it was not paid. He was billed for it at the time, but it has not been paid.

Mr. POTTINGER, recalled.

Q. What steps have been taken to collect it?—A. The correspondence is all here.

The CHAIRMAN.—He says he won't pay?—A. He has not paid it.

Mr. AMES.—We have him all right, he draws a pension, let us recommend to parliament that this be deducted from his next cheque.

*By Mr. Ames:*

Q. 'John McKinnon, \$12.75,' what is that for?—A. That was for some old barrels which were sold to him in March. On the first of April that bill would be made out and sent to him, and it was paid. That, and all the rest of those items have been paid.

Q. All the rest have been paid?—A. Yes, all the rest have been paid.

Mr. SAUNDERS, Finance Department, called.

ALBERT RAILWAY COMPANY LOAN.

Q. The next item is the 'Albert Railway Co. loan, \$14,725.56.' It does not explain in that memorandum prepared by the Finance Department, first, what hold you have on the company, second, the solvency of the company, and third, what steps you have taken to recover.—A. For years we billed them regularly every year, and that was the extent of our efforts to collect the account.

*By the Chairman:*

Q. How long is this road, what is the extent of it?—A. It is from Salisbury to Hopewell.

Q. How many miles is it?—A. Thirty odd miles long.

Q. Is it properly equipped?—A. Yes, and in operation under the name of the Salisbury and Harvey Railway.

Q. All we want to find out is whether our mortgage is a first lien; it does not say in this statement whether it is or not.

Mr. SHANNON.—I have a statement of the Albert Railway I can get ready, the railway is 45 miles long.

Mr. AMES.—The mortgage is dated 1886, but the railway has changed hands.

The CHAIRMAN.—Although the line has changed hands, that would not necessarily discharge the mortgage; all we want to find out is whether the mortgage is still good; there is no reason why it should not be.

Mr. POTTINGER, recalled.

*By Mr. Ames:*

Q. Is the Albert Railway a part of the Intercolonial to-day?—A. No, it is operated as the Salisbury and Harvey Railway.

The CHAIRMAN.—If we have a first mortgage on 45 miles of railway, and if it is properly equipped, as they say that line is, that ought to be a good asset.

The committee adjourned.



## APPENDIX No. 1

## AFTERNOON SESSION.

COMMITTEE ROOM NO. 31,

HOUSE OF COMMONS,

THURSDAY, April 22, 1909.

The Sub-committee resumed at Four o'clock, Mr. Pardee presiding.

Mr. S. L. SHANNON, Comptroller and Treasurer of the Intercolonial Railway, called and examined:—

*By Mr. Ames:*

Q. Now this return was given in response to Mr. Emmerson. It contains a lot of information as to what is the status of those branch lines. Are the Open accounts here given in the Railway Report, in the Public Accounts as well?—A. They are given on page 98, Part 2, in the general balance of the Railway Report.

Q. They are all given here, are they?—A. Everything is in there.

Q. Will you turn to that account on page 98 of the Railway Report. These are the amounts owed us in the general balance for the Intercolonial ending 31st March, 1908. Will you begin with the items on page 98, part 2, I suppose these are identical with the ones in the public accounts?—A. They are arranged differently, but everything is here.

Q. Which would be the most convenient volume for you to take?—A. Either would do.

## INTERCOLONIAL RAILWAY OPEN ACCOUNT.

*By Mr. Maclean:*

Q. What pages in the public accounts?—A. Page 58, part 3, in the public accounts.

Mr. AMES.—We will take the public accounts then. The first item is Station Agents, \$171,513.14. Will you explain how that is made up?—A. That is the same as on the Island Railway. The balance is at the stations including freight and stores and other things on 31st March.

Mr. MORTON, called.

## I. C. R. STATION AGENTS.

Q. What does that represent?—A. We have a statement of the details of all these things.

Q. Have you drawn off from that at all, or caused to be prepared a statement of the doubtful portions of it?—A. It would go into the Suspense Account.

Q. What are the items that make up the details of station balances? Is there cash on hand?—A. There is cash actually on hand.

Q. In the till of the agents at the several stations?—A. Yes. What is taken in for tickets, freight and so on, they will keep a little for change purposes.

Q. Are the moneys remitted daily?—A. At some of the stations.

Q. What system do you adopt in dealing with the different station agents?—A. The cash is checked up every day. We get a daily cash statement from them. The larger offices deposit in the banks daily.

Q. Now the second amount given here is uncollected bills. These are accounts outstanding at the several stations?—A. Yes, accounts waiting adjustment.

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Q. These amounts here in the statement ending March 31st., 1908, are they all of recent creation?—A. There may be some that date back, but our system is to call those amounts in to the head office pending investigation. There is a number of them always carried at the stations that are not carried in, but are taken up with the auditor, or with the freight claims agent for adjustment.

Q. How long do you allow an amount to stand as uncollected at one of the stations before it is transferred to the head office to be dealt with there?—A. As a rule about a couple of months, to give the agent time to get it worked off himself, and if he does not succeed, we call it in and deal with it ourselves.

Q. I notice that at the 31st March, 1908, the total amount outstanding is \$19,019.69. That was a year ago. To the best of your knowledge and belief, has that entire amount been paid?—A. It has either been paid or called into the head office.

Q. At all events, it has either been paid or called into the head office?—A. The larger part has been wiped off altogether. What has not, has been called into the head office, and is still under investigation.

Q. If you were to produce a similar statement for the year ending 31st March, 1909, would that statement contain any of the items as uncollected bills which are found in this statement a year ago? A. It is not likely. It might be possible, but it is not likely that it would.

Q. Is there any what you might call deadwood in that \$19,000 from the station agents point of view?—A. No, I think not.

Q. Whatever deadwood there may be will be found in the head office list?—A. Yes.

Q. Your system is for the station agent to collect if he can, and if he can not, to send in to the head office?—A. Yes.

Q. Would you say that, generally speaking, there is practically no uncollected accounts continued from year to year at the stations themselves?—A. Yes. Under the heading of uncollected bills, I would say that.

Q. The next item is freight and advance charges first to fifth. What does that mean?—A. That was freight in transit at the end of the month which would all be worked out in the first few days of the next month.

Q. So that the items appearing at 31st March, 1908, would all be worked out by the 30th of April?—A. They would be worked out in a few days.

Q. The next item, freight and advance charges on freight short. What is done with that?—A. After it is short sixty days, it is called into the head office.

Q. And the responsibility of the agent ceases?—A. He receives credit after sixty days, and the amount is taken into the head office.

Q. Freight and advances received for freight on hand?—A. That is freight on hand at the end of the month and is scored out by cash payment.

Q. That means goods which the railway has delivered at the station but of which the consignee has not taken possession?—A. Yes.

Q. That represents all good money?—A. Yes, practically all. The goods that are not taken are sold, or returned to the shipper and we realize our freight charges.

Q. Is there any considerable amount of such goods on hand at any one time on the Intercolonial?—A. You mean the freight?

Q. Freight that has been refused by the consignee and on which you propose to realize?—A. There is a considerable amount, but I would not term it very large.

Q. Where is it disposed of as a rule?—A. Some is called into Moncton and frequently a carload is made up and sent to Halifax and Montreal and disposed of there.

Q. In what way?—A. By auction, I think.

Mr. POTTINGER.—We call these unclaimed goods. They are the goods that people have not called for, or perhaps goods lost and paid for, and they turn up and are sold once a year by public auction under the Government Railways Act.

Q. What happens to goods injured in a railway accident which the consignee refuses to accept?

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Mr. POTTINGER.—We sometimes sell and sometimes settle with the party to take the goods off our hands.

Q. Would that go into the same account?—A. These claims are not paid until they are settled.

Q. So you have here a total debit account of \$174,762.

Mr. MORTON.—Less a deduction of \$3,248.36.

Q. Under the heading of details, station balances for the month ending 31st March, 1908, practically do I understand that in the course of a few months that is all worked off from the stations, and such portions as it is difficult to collect reappear in the head office accounts?—A. Yes.

Mr. SHANNON, recalled.

## I. C. R. CASH.

Q. The next item is cash \$122.15?—A. That is a small amount which comes in by mail after the cash has been made up for the financial year. We keep the books open for a while.

Q. The next item is advances, \$556.05. What does that represent?—A. A number of advances made to agents of the Minister of Justice which have not been settled for. Judgment has not been given, and they have not sent in their bills.

## I. C. R. ADVANCES.

Q. Cases pending?—A. Yes, cases pending.

Q. When the Minister of Justice takes up a case to prosecute in the court in order to secure the recovery of money alleged to be owing to the Intercolonial, do you have to advance money for the case?—A. The department has the right to issue a certificate calling upon advances to their agents in connection with any legal matter. That is done in every department. Some of these agents in small places are agents for legal work. They have not sufficient means to advance money for the case and the Department of Justice in their discretion ask us to advance moneys to their agents from time to time for the prosecution of legal business.

Q. This is the item \$556.05. Is it all in connection with accounts on which proceedings have been taken and on which a verdict has not been given?—A. There are a few amounts which are not legal, but they are small. One is for a man who was an employee and he got an advance of \$30.50. He left the service, but I understand that he has come back to the service and so we catch that.

Q. Is there any portion of that \$556.05 uncollectable?—A. There is one to the man Skeffington, who was our detective. He had an advance of \$25 and he was dismissed. He claims that he came up to Ottawa; that he had the permission of the authorities to come to Ottawa to look into the reasons why he was dismissed, and that he would be allowed his expenses. Of course he left us, and we had no means of collecting it. He would not account for this \$25, because he said it accounted for his expenses and his return. That is the one item in the whole lot.

Q. Would you advise writing that off Mr. Pottinger?

Mr. POTTINGER.—I think I would.

Mr. AMES.—Write off item \$25.55 from the advances in connection with the statement of Open accounts, Intercolonial—the amount advanced to George Skeffington, due and uncollectable.

## I. C. R., AUDITOR'S SUSPENSE.

Q. The next item is Auditors Suspense Account, \$65,912.53?—A. That contains all these things which come to the head office which the station agents are not able to collect, and which we deal with. That is decreased or increased from time to time.

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Q. Have you a statement of that?—A. Mr. Morton has a statement.

Mr. AMES.—I would like you to go over that statement, and tell us what portion of it you consider to be absolutely uncollectable?—A. I would not consider any of it under that heading. I think it can be adjusted in time. It is practically all collectable.

Q. Is there any portion of it outstanding for a considerable time?—A. We have had \$542.36 outstanding for the year 1900. That has all been wiped off except \$264. That will be wiped off in time. It is practically all collectable.

Q. Take the next year 1901?—A. We had a total of \$1,738.36.

Q. How much of that has since been wiped out?—A. I judge about \$1,000.

Mr. SHANNON.—Yes, I think that is all collectable. We have to wait on our connecting lines to get these adjustments. There is a tremendous amount of correspondence and it will go on for months.

Q. Do you regard that as all collectable?—A. Yes.

#### I. C. R., CASH IN TRANSIT.

Q. The next item is Cash in Transit Account?—A. That is cash in transit from the stations. It is all good.

#### COMMISSARY STOCK.

Q. The next item is Commissary Stock?—A. That is stock held in connection with the dining car and sleeping car service.

Q. Is that all live goods?—A. All live goods.

Q. In actual use?

Mr. POTTINGER.—Not in use, it is stored till used.

Q. Not in use until issued.

*By Mr. Maclean:*

Q. It is available?—A. Yes.

*By Mr. Ames:*

Q. Is it entirely composed of such goods as will be required within a reasonable time?—A. There is no doubt about that.

Q. None of it is dead stock?—A. No.

#### I. C. R., FREIGHT IN TRANSIT.

Q. The next item is Freight in Transit Account?—A. That is the same as cash in the preceeding account.

#### I. C. R., EQUIPMENT RENEWAL ACCOUNT.

Q. Then you have Equipment Renewal Account, \$57,755.63? A. I got authority from the department, shortly after I went to Moncton, to open an equipment renewal account, and to credit that account and charge against working expenses \$25,000 a month, to provide for the renewal of the equipment, and at the end of that year the amount of equipment renewal was to that extent in excess of the amount I put to the credit of that account. That has all since been wiped out.

Q. That is you put \$300,000?—A. To the credit of that account, and working expenses were charged monthly.

Q. And you spent how much?—A. That much in excess. That debit has been wiped out in the present year, because we still continue to credit this equipment



## APPENDIX No. 1

account with the \$25,000, and we have not spent as much as we have credited; so we have wiped out that balance.

Q. That equipment account is practically equivalent to a continuous depreciation account?—A. That is just about the size of it.

Q. And it amounts to \$300,000 a year?—A. That is the amount we are allowed to credit.

Q. And it is used only in connection with the rolling stock?—A. Yes.

Q. What is the total value of your rolling stock?—A. I could not say.

*By Mr. Maclean:*

Q. What is the object of keeping that account in that shape?—A. The idea is this. Under the new system of railway statistics, the classification of expenses is now made in such tremendous detail, you have so many of those different items which you did not have before, that, if in one month, you go to work and put in a tremendous number of details in connection with one particular item of that classification, you throw out your comparison for the year, and the idea of doing this was that you would charge to this particular item of working expenses with the renewal equipment, \$25,000, and then as you did the work you would deduct that amount, so that at the end of the year your comparison had not been disturbed at all.

Mr. POTTINGER.—It is to equalize the expenditure month by month. Suppose we bought two locomotives in one month and paid for them in that month, that would disturb the whole comparison. Now they are charged to the debit of that account, and every month a fixed amount is charged out to working expenses.

Q. You cannot tell me from memory what the whole of the rolling stock amounts to?

Mr. POTTINGER.—It is a very large sum, millions. We have it somewhere, but not here.

*By Mr. Ames:*

Q. This would represent the annual depreciation practically on the total value of your rolling stock?

Mr. CHAIRMAN.—It should.

*By Mr. Ames:*

Q. I should say it would be considerably more, because this is only five per cent on \$6,000,000. Your rolling stock is very much more than that.

Mr. POTTINGER.—I could not say from memory.

Mr. MACLEAN.—The Dominion Iron and Steel Company does that same thing so as to get at the yearly average cost of steel.

Mr. AMES.—We have never been given to understand in the House that there was any depreciation account.

Mr. POTTINGER.—It is a new thing. The department was recommended to do that by me, but they were always opposed to it until recently.

Mr. SHANNON.—I think the late Auditor General did not approve of the thing, but the present Auditor General did.

Mr. AMES.—It would be advisable, I think, if it can be done, to increase that amount, for it is hardly large enough.

Mr. BELL.—You will find a complete explanation in connection with that in the estimates. It is given in detail.

Mr. AMES.—So far as we are concerned that is satisfactory and rather a good side. Now we take the Rents Ledger.

## I. C. R., RENTS LEDGER.

Mr. MACLEAN.—Before you start on that, I should like to say that it strikes me as being an unnecessary thing to print this list in the public accounts.

Mr. AMES.—It seems to me so.

Mr. MACLEAN.—I think we should get a recommendation that it should be struck out of the public accounts.

Mr. SHANNON.—The Railway Provident Fund appears at the end of the public accounts list, but I do not think that you will find it in the other.

Mr. AMES.—If the list is published in the railway accounts, it does not need to be published in the public accounts.

Mr. SHANNON.—We can give you a list of these items. Those we do not give you we consider uncollectable.

Mr. AMES.—Go through this list and tell us those that are uncollectable and why?

*By the Chairman:*

Q. What does the Rents Ledger mean?—A. We have property along the railway, buildings and houses, and we rent and lease them. If a property is leased to an employee, we take it off his pay.

Mr. AMES.—This is the government as a landlord.

Mr. POTTINGER.—There is another thing about it. People encroach on our property, and we put them under lease for the purpose of securing the title.

Mr. SHANNON.—I produce a list of all the rents which we think are uncollectable. (See Exhibit Q.)

The CHAIRMAN.—Why not add all those up and give us the total, and recommend that that amount be struck off. That would be the easiest way?

*By Mr. Ames:*

Q. Are there any accounts that you would like to lay before the committee in which you feel there is doubt but not quite sufficient doubt?—A. This, that I give you, is the only list.

## I. C. R. INDIVIDUAL AND COMPANY LEDGER.

Q. Now we come to the I. and C. ledger?—A. That is the Individual and Company ledger used for individuals and companies.

Q. These will have to be taken out?—A. That will have to be taken out. You will find the Post Office Department, the Marine and Fisheries Department, the Public Works Department, the Militia Department and other departments.

*By Mr. Maclean:*

Q. Is not that system changed? If you carry anything for the Militia Department, don't you render your account?—A. We render them repeatedly, monthly.

Q. I thought you had adopted a policy of the various departments paying for Intercolonial service?—A. They did, but a lot of them have been standing for years. Some years ago every department of the service was enabled to get everything it required from outside of Canada, duty free. The Customs Department lost the benefit of that revenue. That has been changed, and now we claim that we should get everything coming to us for the same reason.

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*By Mr. Ames:*

Q. Are those that you have in the Individual and Company ledger arranged in the same order in the paper?—A. What I have got here are the uncollectable accounts. (See Exhibit QQ.) That statement contains both collectable and uncollectable. The first item is the Allan Steamship Line at Montreal, \$1,892.13. That is for water supplied to the steamers at the deep water terminus at Halifax, from 1882 to 1886. We have endeavoured, time and again, to collect that from the Allans.

Mr. POTTINGER.—They claim they should not pay it. When the steamers commenced to run and the line was opened through to Montreal, the Halifax people and everybody else were very anxious to get steamship connection and get all the freight possible landed there to take over the route, instead of having the steamers carry it to Portland. We were anxious to do everything we could for the steamers. The Allans, on their part, as well as the other steamship lines, took every opportunity to try and get as many advantages as they could, and these were pressed on the government by the citizens of Halifax and the Board of Trade and so on, and water was one of the things that we had to supply them with for several years. They would not pay, and I do not think there is much chance of getting it. There was never any contract particularly to give them that water.

Q. You have no contract that you can enforce?—A. No.

*By the Chairman:*

Q. There was never any understanding whatever?—A. Not to my knowledge.

*By Mr. Ames:*

Q. Your advice would be to strike it off?—A. I do not think it is possible to collect it.

Mr. AMES.—Strike off \$1,892.13.

## ATLANTIC AND LAKE SUPERIOR RAILWAY.

Q. What is the next item?—A. The Atlantic and Lake Superior Railway.

Q. That is the item, \$7,666.42?—A. That is not \$7,666 altogether. There are two items, one \$5,769.35, for the hire of locomotives, car service, &c., and the other one of \$603.33.

Q. Total?—A. That would be \$6,563.68.

Q. What was the service?—A. The Atlantic and Lake Superior Railway was a company that Mr. Armstrong got up years ago. That company subsequently failed. The present Atlantic and Lake Superior Railway Co., is a company run, as I understand, by trustees for the bondholders, and these are the amounts due when it was Mr. Armstrong's company. These items represent the hire of locomotives and car service. I have the details all here which show all that.

Q. Has the company of Mr. Armstrong any assets or any standing?—A. Not that we are aware of.

*By Mr. Maclean:*

Q. Is the mortgage foreclosed?—A. The bondholders took the road over.

Q. Entered into possession?—A. Entered into possession.

Q. Did they get a title?—A. That I do not know. We put this in the hands of the Department of Justice years ago, but we were unable to collect payment.

*By the Chairman:*

Q. How much was in the first part?—A. \$5,760.35. The other part is for 14 months rent of rooms at the Board of Trade building in Montreal. That was Mr.

Armstrong's own office. That represents the rent. We had the same office in the Board of Trade building for which we paid and apparently we sublet it to Mr. Armstrong, and were unable to collect. So these two amounts we claim are uncollectable.

Mr. AMES.—What do you say, gentlemen?

*By the Chairman:*

Q. You think that \$7,000 is uncollectable?—A. I do not see how we can get it.

Mr. MACLEAN.—We may as well wipe it off.

Mr. SHANNON.—That is \$6,362.68. The next item is the American Locomotive Co., \$1,038.97. That is for repairs to locomotives in 1903, which they dispute.

Mr. POTTINGER.—We purchased engines from them, and the engines failed in several of their parts and repairs were done to them. That is one part of it. There was a balance for such things as jack screws and that sort of thing missing on the engines when they were received.

*By Mr. Ames:*

Q. Part of their outfit?

Mr. POTTINGER.—Part of their outfit. They claimed in the correspondence that our inspector agreed with them not to supply these tools in consideration of their using better materials than we had specified in other parts of the locomotive and in the building of them. Perhaps we had better hold that until we get the papers.

Mr. AMES.—We are perhaps not able to go into the minutest detail of the disputed accounts, but what we are anxious to know is what efforts have been made to collect, what is your opinion of the collectability of the accounts?—A. We have made every effort and I do not think we are likely to collect.

Q. You do not think that if you took suit you would get the money?

Mr. POTTINGER.—These were locomotives that were contracted for by companies that afterwards during the progress of the building of them were consolidated into the American Locomotive Co. For instance, the Dixon Locomotive Company built some engines for us, and while these engines were building the Dixon Company sold out to the consolidated concern. They claimed they had no right to take over these accounts. We said, that as they took over the building of the locomotives, they had the right to complete the contract.

Q. Who would you sue, if you wanted to sue?

Mr. POTTINGER.—We could not sue the old company. We would have to sue the American company with whom we had no contract.

The CHAIRMAN.—They took over the liabilities. They cannot contract themselves out of that.

*By Mr. Maclean:*

Q. When was that?

Mr. POTTINGER.—1903.

The CHAIRMAN.—I do not see why railway companies do not do the same as individuals. Why should not that company be sued?

*By Mr. Maclean:*

Q. What does your inspector say?

Mr. POTTINGER.—Our superintendent of motive power says it would be a fair thing to write it off.

Q. Does he admit he made such an arrangement?

Mr. POTTINGER.—It was not made by him.



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Q. Where is the original man?

Q. Do you think it probable that he made such an arrangement with the locomotive company?

Mr. POTTINGER.—I think it is, very likely. The arrangement was to offset a number of tools against certain other work that was done on the engines.

Q. Beyond specification?

Mr. POTTINGER.—Yes.

Mr. MACLEAN.—I think it had better go off.

Mr. AMES.—I think so too.

Mr. SHANNON.—The next item is Athol Station, cash stolen from the station, \$4.44.

Mr. AMES.—That may go without question.

Mr. SHANNON.—The next is Amherst station, freight, cash stolen from the office in 1907, \$3.31.

*By Mr. Ames:*

Q. By parties unknown?—A. Yes.

Mr. AMES.—Let it go.

Mr. SHANNON.—The next is Amherst station (ticket) cash stolen from ticket office, \$18.75.

Mr. AMES.—That is not on this list.

Mr. SHANNON.—The next is Henry Atkinson, \$12.80. To damage to cars from his men unloading Quebec Central Railway cars, releasing the brakes, and allowing the cars to strike others. That was on December 31, 1892. This man had his men unloading Quebec Central cars and while unloading, the men released the brakes of the cars of the Quebec Central Railway and they struck ours and injured them; we have not been able to collect that from Mr. Atkinson. It is 17 years ago.

Mr. AMES.—That had better go too.

Mr. SHANNON.—The next is the Beaver Steamship line, \$1,156.13. This is the company which failed years ago.

Mr. AMES.—That is not in this list.

Mr. SHANNON.—We will put it aside then. The next is the Balliston Terminal railway, \$396.41. That is the value of an Intercolonial car destroyed on their railway on 4th February, 1902. The account passed into the hands of the Justice Department, but they were not able to collect it and the railway has no existence now.

*By the Chairman:*

Q. Is it not running?—A. It is not running.

Mr. POTTINGER.—It went into the receiver's hands. We had a report from the Justice Department that it was uncollectable.

Mr. AMES.—Go.

Mr. SHANNON.—The next is the Baldwin Locomotive Works, to repairs to locomotives in 1898, \$181.10. That is similar to the other one.

*By Mr. Ames:*

Q. You tried to pull them back for repairs?

Mr. POTTINGER.—For repairs and for damages. The locomotives were to be delivered in good order at St. John or Montreal, and what is claimed now is that the

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superintendent of the motive power did not notify the company in time, so that they could recover from the railways who did the damage.

*By Mr. Rhodes:*

Q. In connection with the previous item, does the railway insure its own stores?

Mr. POTTINGER.—No, we insure nothing.

Q. You carry your own insurance?

Mr. POTTINGER.—Yes.

Q. What is the practice on other lines?

Mr. POTTINGER.—I do not know what their custom is now. The Grand Trunk used to insure their wooden fences against fire. Several propositions have been made, but we have never gone into them.

Q. You think it a wiser policy not to insure?

Mr. POTTINGER.—I think so.

Q. Is the same true in respect to your stations?

Mr. POTTINGER.—I think so.

*By Mr. Ames:*

Q. The next item is the Baldwin Locomotive Works. You advise it to be struck off?—A. Yes.

Q. The next is M. Beattie & Sons, repairs to cars, December, 1902, \$1.14?—A. We have tried to collect that, but they claim they have no right to pay it.

Mr. AMES.—Perhaps it is not worth paying.

Q. The next is John C. Brown, to demurrage on car delayed at Adamsville, \$15. When was that incurred?—A. In 1904. .

Mr. POTTINGER.—He was a contractor building a branch line to a coal mine. At least he was supposed to be the contractor, but he said it was his brother who was the contractor, and he would never pay it, and we could not get it from the brother either.

Mr. AMES.—Let it go.

Mr. SHANNON.—The next is Boisdale Station; this was a shortage of agent McIsaac on June 4th, 1899, \$7.80.

Mr. AMES.—That will go.

Mr. SHANNON.—The next is Bic Station, cash lost in transit in 1884, \$22.

Mr. AMES.—Go.

Mr. SHANNON.—The next is Bloomfield Station, cash destroyed by fire when station was burned in 1882, \$25.21.

Mr. AMES.—Go.

#### C. P. R. CONSTRUCTION ACCOUNT.

Mr. SHANNON.—The next is the Canadian Pacific Railway construction account, \$22,446.90. That is not the Canadian Pacific Railway Co., it is a Canadian Pacific Railway government account. The Canadian Pacific Railway in the west up to Winnipeg and a number of miles further was originally completed by the government and when the government completed the building on their section in British Columbia they took over the rolling stock of the contractor and sent it to us. This represents the freight charges on that rolling stock from British Columbia, between 1888 and 1890.

*By Mr. Ames:*

Q. Who can you hold to pay it?

## APPENDIX No. 1

Mr. POTTINGER.—There is no person to pay it. The contractor who built the road for the government had this rolling stock, and in settling up with him the government took it over and gave it to us without charge against the I.C.R. except this freight.

*By Mr. Maclean:*

Q. What is that?—A. Freight paid to the Canadian Pacific Railway and Grand Trunk.

Q. Whom did you bill as debtor?—A. The Canadian Pacific Railway Construction Account.

Q. Anybody to collect from?

*By Mr. Maclean:*

Q. The government have to pay the Grand Trunk for hauling it?

Mr. POTTINGER.—That is the amount for paying the Grand Trunk for hauling it.

*By the Chairman:*

Q. Who were the Canadian Pacific Railway Construction Account?—A. The Department of Railways and Canals at Ottawa.

*By Mr. Ames:*

Q. You charged it against another department then?—A. No, the same department.

Mr. AMES.—I think it is perfectly uncollectable.

Mr. SHANNON.—The next is Campbellton Station (freight). Cash stolen from freight office in January, 1890, \$25.

Mr. AMES.—Let it go.

Mr. SHANNON.—The next is Coal Branch Station, cash destroyed by fire in 1882, \$65.84.

Mr. AMES.—Go.

Mr. SHANNON.—The next is T. Cook & Son, New York, \$19.80. T. Cook & Son are the responsible firm of tourists agents. We charged them with this amount of \$19.80 and they remitted the money to a man named G. G. Balley, an official of the Eastern Extension Road. They produced a cheque which they had paid for this account endorsed by this man Balley. He cashed it.

*By Mr. Ames:*

Q. Was he authorized to receive money on behalf of the I.C.R.?

Mr. POTTINGER.—Yes. What was called the Eastern Extension ran from New Glasgow to the Strait of Canso. We bought it from the Nova Scotia Government and operated it for a number of years as a separate railway, and Balley was the treasurer of that railway.

Q. He was authorized to receive the money?—A. Yes.

Q. Did he default?—A. Yes.

Mr. AMES.—That goes out.

Mr. SHANNON.—The next is the Canada Eastern Railway, \$17.42. This represents three claims, one for 42 cents, another for \$8.54, and a third for \$8.46. These claims were paid by us after we took over that road. These were claims which had to be charged against the Canada Eastern, because they referred to things before we took over the road.

*By Mr. Ames:*

Q. But in taking over the road you took over the obligations and assets. When the seller of the road disposed of the road he disposed of its obligations and assets, didn't he?—A. I would presume so, and from what you say it would have been proper to put them in as freight claims.

Mr. MACLEAN.—That goes out.

Mr. SHANNON.—The next is Mr. F. E. Came. To wheels not supplied according to contract in 1889 and 1890. The amount is \$2,760.70.

*By Mr. Ames:*

Q. That is a rebate that you were trying to collect from him, I suppose?

Mr. POTTINGER.—The wheels failed. They supplied a quantity of wheels which under an arrangement were to run for three years after coming to us, but the wheels failed and did not run for that time.

Q. Any contract?—A. No formal contract, but an order and an agreement with the agent who furnished those wheels.

Q. But in what position does our hold on him stand?—A. He has failed in the meantime.

Q. He failed?—A. It was previous to that concern in Montreal being burned out.

*By Mr. Maclean:*

Q. Does he admit the claim?—A. No.

*By Mr. Ames:*

Q. I think he has since failed?—A. I have been told so.

*By Mr. Maclean:*

Q. Have you power to compromise claims?—A. No.

The CHAIRMAN.—The Department of Justice could.

Mr. SHANNON.—The Department of Railways and Canals would have that right to compromise. I don't think we could.

Mr. MACLEAN.—I think we ought to strike this off.

Mr. SHANNON.—The next is Mr. H. J. Cameron. To amount of defalcation in November, 1885, while he was stationmaster at Pictou. We prosecuted him and he failed to make good. The amount is \$1,679.07.

Mr. AMES.—We cannot do anything more than that.

Mr. SHANNON.—The next is the Coldbrook Rolling Mills. To balance on account of scrap iron supplied from 1876 to 1879, amounting to \$1,967.41. The company failed years ago.

*By Mr. Ames:*

Q. Any assets?—A. No, and the place was burned down.

Mr. AMES.—Strike out \$1,967.41.

Mr. SHANNON.—The next is Campbellton station (ticket). This was cash stolen on August 10, 1903, \$94.85.

Mr. AMES.—Strike it out.

#### THE CARAQUET RAILWAY ACCOUNT.

Mr SHANNON.—The next is the Caraquet railway.



## APPENDIX No. 1

Mr. POTTINGER.—That is in the hands of the department just now. A few days ago, we sent it for the third or fourth time to the Department of Justice to collect.

*By Mr. Maclean:*

Q. Is it collectable?

Mr. POTTINGER.—It should be. The persons who control it in Toronto have promised to pay in instalments, but they have not carried out their promise.

Mr. MACLEAN.—Perhaps we had better leave that aside.

*By Mr. Ames:*

Q. The Caraqueet railway is supposed to have a paid up capital of \$1,450,000. Do I understand that the Department of Justice are now taking steps?

Mr. POTTINGER.—I was so informed. The account is for the hire of locomotives and cars that they got from us.

Q. In other words, this represents what the Caraqueet railway borrowed from the government by way of rolling stock to a considerable extent. We, that is the people of Canada, have lent them what they have been using in the way of rolling stock on their road to a considerable extent. Have they any of the rolling stock there now?—A. No, but our rolling stock goes on to their road. A car of flour comes from the west and goes down to Gloucester Junction on their road.

Q. Are you paying them moneys from time to time for services they render?—No, we make them pay the freight before we turn it over to them. But at the present time the rental on those cars goes on.

*By Mr. Maclean:*

Q. It is gradually growing. That account ought to be got over.

*By Mr. Ames:*

Q. Is there any portion of that account in dispute?—A. Of course they do not want to pay for the cars. Part of the claim is for goods destroyed by fire.

Mr. POTTINGER.—That is the only portion of the account which could be disputed.

*By Mr. Ames:*

Q. How would it do to strike that part off and leave the rest of it.

The CHAIRMAN.—I think we should not do anything with that yet.

Mr. POTTINGER.—No.

Q. How much diligence are the Law Department exercising in pressing for payment?

Mr. POTTINGER.—No doubt they will take hold of it at once.

Q. I see that there is car mileage from 1889 and car mileage in 1895?

Mr. POTTINGER.—These are debits, but there are payments since. They paid \$1,000 on account.

Mr. SHANNON.—I think it was \$2,000 they paid.

*By the Chairman:*

Q. Did you apply that to any of their items?—A. It goes to the credit of their account, but you cannot put it against any specific item.

*By Mr. Ames:*

Q. Why should you not use that to mark off later items?

Mr. MACLEAN.—I think we had better let them stand.

Mr. AMES.—The only thing is, we should satisfy ourselves that the Law Department is exercising due diligence in pressing it.

*By the Chairman:*

Q. How would it do to take that \$2,000 and apply it to wipe off that \$393.03?—

A. That was a special payment on rolling stock account.

Q. Did they specify what it was?—A. They paid that on account of rolling stock. It specifies that, there.

Mr. AMES.—I think you will have to strike off that portion.

Mr. MACLEAN.—It might be arranged in the way of compromise.

Mr. POTTINGER.—I do not think we should strike off any of it. The Railway Department authorized these goods to be charged.

Mr. MACLEAN.—A few thousands off might induce them to settle.

Mr. AMES.—Would it not be well for this committee to recommend that the Law Department be requested in respect of such accounts as these to press for legitimate settlement.

Mr. MACLEAN.—I think so.

Mr. AMES.—And that they also be given power to compromise for a complete settlement.

Mr. MACLEAN.—I think we should make a general recommendation at the end.

The CHAIRMAN.—I would not make it on this specific one. I would make a general recommendation.

Mr. AMES.—It is accumulating all the time. They cost the I.C.R. \$3,000 for the service and pay \$1,000. They make the I.C.R. supply them with the locomotives and cars and they do not pay for them. They simply lie down on the government. If we ever take over these roads, we should deduct those big claims from the price.

#### I. C. R. LEDGER, DISPUTED ACCOUNTS.

Mr. SHANNON.—The next is a continuous item of the Department of Militia and Defence. This is a balance of \$1,776.47. It is only a portion of the balance. The rest is a running account, but the statement which I have here runs from 1875 to February 1906. These are items from 1875 to 1882 for tickets and freight charges which they have never paid us. In 1885, there was an amount for damage to cars by soldiers; two amounts which they have never paid, but with the exception of the damage to cars, the items are all either ticket or freight charges. It is true we have given them credit at different times for cash, but when you come to strike a balance there is \$1,776 on that old account which we have never been able to collect.

Mr. AMES.—How would it do to treat them as we did the others and have a statement prepared by the Railway Department and a statement by the Militia Department and have the two submitted and adjudicated upon by the law officers of the Crown?

Mr. SHANNON.—There is our statement. (See Exhibit U.) They have had it from time to time. It would be up to them to say why they have not paid that account.

Mr. MACLEAN.—I suppose the present minister will not want to father the obligations of his predecessors.

Mr. SHANNON.—You cannot wipe that off.

Mr. AMES.—The only thing we can do is to put in a claim for the I.C.R. against the Militia Department asking the Militia Department to submit their reasons why they have not paid this claim in order that the case may be submitted to the law officers of the Crown for adjudication. (See Exhibit UU.)

## APPENDIX No. 1

## I. &amp; C. LEDGER UNCOLLECTABLE ITEMS.

Mr. SHANNON.—The next item is the Department of Public Works. This is a special charge. It is a special expenditure in connection with the visit of the Duke and Duchess of Cornwall in 1901. The amount is \$9,154.44. I think Mr. Pottinger can explain that better than I can.

Mr. POTTINGER.—There was a large appropriation made by the government for the entertainment and transportation of the Duke and Duchess and their people, and the railway did a large portion of the service and rendered a bill for it. This amount is composed of items that were struck out by Mr. Pope when it was sent to the department, and they refused to pay it.

*By Mr. Maclean:*

Q. Why did the Department of Public Works have it?

Mr. POTTINGER.—The vote was drawn in that department's name.

Q. What was the nature of the items he struck out?

Mr. POTTINGER.—We can get them for you.

Q. Give me an illustration?

Mr. POTTINGER.—There were items for decorations and the illumination of the stations at Quebec, Halifax and St. John.

Q. I suppose the vote was exhausted?

Mr. POTTINGER.—I think that was the reason.

Mr. MACLEAN.—I think we should strike that off.

Mr. AMES.—Write off \$9,154.44.

Mr. SHANNON.—The next is Drummond County Railway, \$7,199.87. This is for legal services in connection with the transfer of the railway to the Intercolonial.

Mr. AMES.—Who can you bill? Who is the debtor?

Mr. POTTINGER.—I understand that the bargain was that the I.C.R. or the government was to pay for the transfer. They say that is Quebec Law. I do not know.

*By Mr. Ames:*

Q. That the purchaser pays the transfer?

Mr. POTTINGER.—Yes—the cost of the transfer, and the most of that account is for those legal services.

Q. The Drummond County Railway has gone out of business?

Mr. POTTINGER.—Yes.

*By Mr. Maclean:*

Q. Who rendered the legal services?

Mr. SHANNON.—Mr. O'Halloran. He was doing business in Montreal.

Q. And it was paid by the Government Railway. Why is it in here as an asset?

Mr. POTTINGER.—We have to put it somewhere.

*By the Chairman:*

Q. Did the I.C.R. pay him and make a charge against this government?—A. The I.C.R. paid him, but when these services were completed the Drummond County Railway was the property of the I.C.R. We claimed that the Drummond County Railway should have paid this, and that it should not have been charged against the I.C.R.

Mr. AMES.—I think we might strike it off.

Mr. MACLEAN.—I do not think it should ever have been there.

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Mr. AMES.—Strike off \$7,199.87.

Mr. SHANNON.—The next is Dartmouth station, \$8,013.73. This was a shortage by W. Stephens, the station master in 1906. He was arrested and tried, but the jury disagreed. At the next trial the jury acquitted him.

Mr. AMES.—Let it go.

Mr. SHANNON.—The next is Derby Junction station, \$231.04, cash and charges on freight destroyed in the burning of the station in August, 1886.

Mr. MACLEAN.—That might go off.

Mr. AMES.—Yes.

Mr. SHANNON.—The next is Dalhousie station, \$19.69. This is for charges on freight destroyed by fire in February, 1886.

Mr. AMES.—That can go.

Mr. SHANNON.—The next is the Engineering Contract Company, \$518.68. This is a freight account that they owed in March, 1903, at Cnaudiere Junction, at the time of the failure of the company.

*By Mr. Ames:*

Q. Did you try to collect that?—A. Yes, and it was of no use.

Mr. AMES.—Strike it out.

Mr. SHANNON.—The next is the Elgin Branch railway, \$726.10. This is for repairs to a locomotive in 1879.

*By Mr. Ames:*

Q. You cannot collect that?—A. No.

Mr. AMES.—Let it go.

Mr. SHANNON.—The next is Eel River station, \$32.61. This amount is made up of cash \$12.44 and charges on freight \$20.17, destroyed by fire in the burning of the station in September, 1901.

Mr. AMES.—Strike it out.

Mr. SHANNON.—The next is the Eureka Mills Station, \$13.56. This is cash stolen from station.

Mr. AMES.—Strike it out.

Mr. SHANNON.—The next is A. Forbes, \$82.18. This is an amount in Messrs. Tupper & Rigley's hands sent to pay Alexander Forbes to be refunded, the amount subsequently having been paid to A. Forbes direct as per instructions from Ottawa.

Mr. POTTINGER.—It is a very old thing.

Mr. SHANNON.—The amount was sent to Tupper & Rigley but was subsequently paid to Forbes personally at Ottawa. Application was made to McDonald, Rigley & Tupper to recover the money, but they claimed that the money should be recovered from Forbes.

Mr. POTTINGER.—It was paid twice, once to Forbes and once to Rigley & Tupper and they claimed that they paid Forbes too. Forbes died and so you cannot recover.

Mr. AMES.—Mark that out.

Mr. SHANNON.—The next is Forestdale station, \$6.34. This was cash destroyed by fire when the station was burned.

Mr. AMES.—Strike it off.

Mr. SHANNON.—The next is Guerett & Son, \$36.92. This amount we paid Temiscouata Railway for freight charges on three cars of cedar in 1904.



## APPENDIX No. 1

Mr. POTTINGER.—We were going to try and collect that.

Mr. SHANNON.—The next is Messrs. Gray & Lawrence Bros. Co., \$6.75. This is for three grain doors destroyed by their men in 1893.

Mr. AMES.—That is no good.

Mr. SHANNON.—The next is J. H. Gibbon & Co., for three months rent.

Mr. AMES.—That is in the Rents ledger. We put that aside.

Mr. SHANNON.—The next is Gloucester Junction station. To cash lost and charges on freight destroyed by fire in June, 1888, \$78.87.

Mr. AMES.—Strike it out.

Mr. SHANNON.—The next is P. E. Gallant, \$173.36. This was the amount of his defalcation at Rogersville in 1884.

Mr. AMES.—Let it go.

Mr. SHANNON.—The next is Glengarry station. Cash destroyed by the burning of the station on 24th April, 1886, \$5.

Mr. AMES.—Out.

Mr. SHANNON.—The next is the Hampton and St. Martins Railway, \$1,421.35. This is a comparatively recent account. The railway was sold and we had notice given at the sale that there was this account owing to us, but notwithstanding that it was thrown out by the courts, we took it up with the department at Ottawa. They sent it to the Department of Justice, and they said there was no way of getting it.

Mr. AMES.—The amount in the statement of Open Accounts is \$1,658.62; so that it will go out to the extent of \$1,421.35.

Mr. SHANNON.—Yes, \$1,421.35. The rest is collectable. The next is Halifax Station (freight). The office safe was broken open and cash was stolen in May, 1893. The amount being \$887.49.

Mr. AMES.—Strike it out.

Mr. SHANNON.—The next is Mr. R. Hamilton, \$1,131.52. This is for 8 months rent for the privilege of selling newspapers on the Intercolonial Railway trains from 1st July, 1878, to 28th February, 1879, at \$141.44 per month. This man failed in 1879 and we were unable to collect. /

Mr. AMES.—No good. Strike it out.

Mr. SHANNON.—The next is H. M. Hamilton, \$316.66. This was for one month's rent for the privilege of selling newspapers in 1880, amounting to \$166.56, and also for rent in May and June, 1885, \$150. This man also failed.

Mr. AMES.—Strike off \$316.66.

Mr. SHANNON.—The next is the Halifax and Cape Breton Railway, \$1,151.42. This is for charges for wharfage on rails landed at Pictou Landing in 1882.

Mr. MACLEAN.—That had better go out.

Mr. POTTINGER.—The company has gone out of existence.

Mr. AMES.—Out.

Mr. SHANNON.—The next is L. R. Harrison, \$1,343.41. Mr. Harrison was agent in the Department of Justice at St. John, and this was a balance which was advanced to him to pay persons for land purchased for the railway, and for which we were unable to get any accounting. He left the country and has since died.

Mr. AMES.—Strike out \$1,343.41.

Mr. SHANNON.—The next is Iona Station, \$72.71. This was cash stolen from the station in March, 1891.

Mr. AMES.—Strike it out.

Mr. SHANNON.—The next is Isle Verte station, \$25. This was cash lost in transit in March, 1885.

Mr. AMES.—Out.

Mr. SHANNON.—Kent Junction station, \$28.38. This was cash destroyed and charges on freight destroyed in the burning of the station in June, 1891.

Mr. AMES.—Out.

Mr. SHANNON.—Micmac Mining Co., \$317.84. This represents the value of I.C.R. cars damaged at the Jubilee Mines in September, 1901.

Mr. AMES.—That is not here.

Mr. SHANNON.—You will find it on page 62, The Canada Coal and Railway Co., if I recollect, there was a dispute, and we billed the Canada Coal and Railway Co. at that time. They said it was the Micmac Co., and we afterwards transferred it to their name.

Mr. RHODES.—That railway has now gone into liquidation.

Mr. AMES.—We might as well strike it off.

Mr. SHANNON.—The next is Moncton freight station, \$20. This was cash stolen in 1903.

Mr. AMES.—Out.

Mr. SHANNON.—Memramcook station, \$7.54. This was for tickets stolen from the station in November, 1891.

Mr. AMES.—Strike out.

Mr. SHANNON.—Matapedia station, \$480.16. This was for freight charges on 16 cars of piles refused by the consignee in November, 1898.

Mr. POTTINGER.—It is not recoverable.

Mr. AMES.—I think this item should be deducted from the Station Agents Account. Deduct from the first item that we discussed 'station agents, \$171,513.14,' this item Matapedia station, to freight charges on 16 cars of piles refused by consignee November, 1898, \$480.16.

Mr. SHANNON.—The next is J. J. McLeod, \$644.16. This is the amount of defalcation while he was station master at Dalhousie in July, 1886. This man skipped to the United States.

Mr. AMES.—Strike out.

Mr. SHANNON.—The next is George McDougall & Co., Montreal, \$1,466. This was for wheels supplied by them which failed to run for the three years. The wheels were supplied in 1888, and the company failed shortly afterwards.

*By Mr. Ames:*

Q. Any assets of any kind?—A. We took a guarantee for the loss of the wheels.

Mr. POTTINGER.—We did not take any deposit in those days. It was the failure that caused us to adopt the plan of requiring a deposit as security.

Mr. AMES.—Out.

Mr. SHANNON.—A. R. McDonald, \$2.76. This was for repairs to a car at Riviere du Loup. We cannot collect.

Mr. AMES.—\$2.76 goes out.

Mr. SHANNON.—The next is J. W. McConnell, \$50. This was cash advanced for expenses to be accounted for. This man was an employee who got the advance, but he died and we cannot of course collect.

Mr. AMES.—When considering the item of Advances, \$556.05 at the beginning of our discussion to-day, page 58, this item of \$50 to J. W. C. McConnell should have been deducted.

## APPENDIX No. 1

Mr. SHANNON.—The next is the North American Transportation Co., \$2,347.33. This is the balance of an account for freight balances, ticket balances, supplies, &c., between 1884 and 1906. I do not know anything about these.

Mr. POTTINGER.—They failed.

Mr. MACLEAN.—Not collectable?

Mr. POTTINGER.—No.

Mr. AMES.—Strike off \$2,347.33.

Mr. SHANNON.—The next is New Glasgow station, \$633.90. This represents two amounts, one for tickets lost while being returned to the general ticket office at Moncton in March, 1885, \$621.90, and the other cash stolen from the station in June, 1900, \$12. We would have charged the first against the station, but none of the tickets ever came in afterwards.

Mr. AMES.—Strike off tickets lost and cash stolen \$633.90.

Mr. SHANNON.—The next is Newcastle station. To charges on freight destroyed in the freight shed when it was burned in August, 1892, \$102.75.

Mr. AMES.—Strike off.

Mr. SHANNON.—The next is the National Labour Congress, \$446.40. This was for tickets supplied to them in Montreal when they were holding their congress at St. John or Moncton in 1904. We have tried our very best to collect it.

*By Mr. Ames:*

Q. On whose authority were they supplied?

Mr. POTTINGER.—Some one telegraphed to our agent at Montreal, Mr. Price, to issue tickets to them. The congress was held at St. John.

The CHAIRMAN.—That ought to be looked into.

Mr. AMES.—We want the details of that. These labour delegates from Montreal really got passes to the congress.

*By the Chairman:*

Q. Has there been any correspondence and with whom?

Mr. POTTINGER.—I cannot say exactly, but there has been correspondence.

The CHAIRMAN.—It should not be difficult to find out.

Mr. BELL.—I think applications were made for passes.

Mr. AMES.—I think all the correspondence on that should be brought down.

Mr. SHANNON.—The next is Nashs Creek station, \$6.25. This is cash stolen from station in February, 1895.

Mr. AMES.—Strike it out.

Mr. SHANNON.—The next is J. Norris & Co., \$22.22. This is an amount due at St. John station for freight charges in 1901. The freight claims agent has done his best and he cannot collect it.

Q. Why not sue him for it? Is your claim perfectly valid?—A. The papers will show that. Perhaps we had better put this aside for the present. The next is Nicolet station, \$39.53. This represents cash stolen in August, 1899, remittance lost in transit in 1903, and cash stolen in 1904 by a burglar. The whole amounts to \$39.53.

Mr. AMES.—No good.

Mr. SHANNON.—The next is Nappan station. Cash stolen from station in 1892, \$40.

Mr. AMES.—Out.

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Mr. SHANNON.—The next is Nauwigewauk station. Amount stolen from this station in May, 1887, \$3.

Mr. AMES.—Out.

Mr. SHANNON.—The next is Purcell and Fallon.

Mr. POTTINGER.—They were contractors for a branch railway. I think we will have to ask the department what state the negotiations with them are in. It has been before them a great many times.

Mr. SHANNON.—Perhaps we ought not to include that in the uncollectable list.

*By Mr. Ames:*

Q. Is the firm alive?

Mr. POTTINGER.—These people had a claim against us in connection with their contract on the River Ouelle branch. They may have dropped it in consideration of this, but we will find out about it.

Mr. SHANNON.—The next is Price Bros., Quebec, \$1,336.02. This is the value of I.C.R. cars.

Mr. POTTINGER.—That is in the courts now.

Mr. SHANNON.—The next is I. N. Pouliot, \$352.20. This is the value of tickets supplied in 1879. We entered a suit in the Exchequer Court and judgment was given against the government.

Mr. AMES.—That is no good.

*By Mr. Maclean:*

Q. When judgment is given against you, surely there is some way of adjusting your account?

Mr. AMES.—They have no power to write off a cent. It seems to me that this power should be given to the new commission that has been appointed. We will take off the \$352.20.

Mr. SHANNON.—The next is the Polson Iron Works, \$273.25. This was for repairs to rotary snow-shovels in 1889 and 1890. The company failed some years ago.

Mr. POTTINGER.—We bought two of those machines from them and they broke down and failed. We did the repairs and we charged them back, but they never paid.

Mr. AMES.—Strike off \$273.25.

Mr. SHANNON.—The next is the Post Office Department, \$107.48 for erecting mail bag catching posts at certain stations.

Mr. POTTINGER.—In the old times, they used to pay for the erection of these posts. Now, they claim they have an order in council or some arrangement with the railways, so that if they wish to land mails at any station and the railway wishes to run its train past that station without stopping, the Railway Department must put up costs to catch them. Recently the Railway Department at Ottawa has accepted that arrangement with them, and has acted upon it.

*By Mr. Ames:*

Q. Was this service rendered before or after that order in council?

Mr. POTTINGER.—The Post Office Department say that the arrangement existed prior to that date.

Mr. AMES.—We may as well write it off and deduct from the item Post Office Department \$19,097.28, the sum of \$107.48.

Mr. SHANNON.—The next is Charles D. Ruddick, \$130. This is for hire of two hand pumps in 1905, and the value of two second-hand air pumps.



## APPENDIX No. 1

Mr. POTTINGER.—We must take that up; we will collect that.

*By Mr. Ames:*

Q. Who is Ruddick?

Mr. POTTINGER.—He is dead, but his foundry is being carried on by his son.

Q. This is against him in his business capacity?

Mr. POTTINGER.—Yes.

Mr. SHANNON.—What about Ryan and McDonnell?

Mr. POTTINGER.—We should try and collect that too.

Mr. SHANNON.—The next then is the Rivière du Loup station (freight). Cash stolen from freight office in November, 1892, \$102.56 and cash stolen from freight office in August, 1895, \$34.26; in all \$136.82.

Mr. AMES.—Strike it out.

Mr. SHANNON.—The next is remittances destroyed, \$788.81. This was the contents of a train safe containing remittances which was burned in a baggage car in September, 1887.

*By Mr. Maclean:*

Q. Did you take the number of the bills?—A. No.

Q. You would have to prove it was destroyed?—A. Yes.

Mr. AMES.—Strike it out.

Mr. SHANNON.—The next is J. Richards & Son, \$116.24. The amount of deficit as ticket agents at Fredericton in September, 1886.

*By Mr. Ames:*

Q. Are they out of business?—A. We could not collect at all.

Mr. AMES.—Strike out.

Mr. SHANNON.—The next is Rockingham station. Tickets stolen at a burglary of the office in July, 1892, \$22.97, and cash stolen at the same time, \$4.50, making \$27.47.

Mr. AMES.—Out.

Mr. SHANNON.—Red Pine station, cash stolen in December, 1893, \$20.

Mr. AMES.—Out.

Mr. SHANNON.—Rivière du Loup station (ticket). Cash stolen from office in December, 1906, \$16.

Mr. AMES.—Strike it out.

Mr. SHANNON.—Wallace Ross, \$33.70. This was for tickets furnished in 1884 at the request of the Ogdensburg and Lake Champlain Railway Co. The company does not exist now. Ross was the swell oarsman and was going to row on Lake Champlain, and they asked us to furnish him with tickets.

Mr. AMES.—That had better go out.

Mr. SHANNON.—The next is the Standard Car Truck Co. For packing inside pockets of trucks of patent journal, July, 1900, \$465.30. The Intercolonial railway frequently gives inventors an opportunity of experimenting, and this was an experiment and it cost us \$465.30. We were never able to collect it.

*By Mr. Ames:*

Q. And the company is no good?

Mr. POTTINGER.—They promised to pay when we tried their apparatus.

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Mr. AMES.—That goes out then.

Mr. SHANNON.—The next is St. Hyacinthe station, \$8,879.05. This is a shortage of W. L. L. who was station agent in February, 1906. He threw himself before a train and was killed. He left no estate upon which a claim could be made.

*By Mr. Ames:*

Q. No guarantors or bonds?—A. The amount of guarantee was paid and this is the balance.

*By Mr. Maclean:*

Q. You take bonds from your station agents?—A. Yes.

Mr. AMES.—I suppose this must go out.

Mr. SHANNON.—The next is St. John station, \$3,096.46. This was a loss by defalcation of the cash clerk in October, 1892. He was tried and convicted. We got from the guarantee company all they had to pay.

*By Mr. Ames:*

Q. And this is the uncollectable balance?—A. Yes.

Mr. AMES.—Strike out.

Mr. SHANNON.—The next is St. Arsene station, \$107.12. Cash lost in transit in 1885, and cash stolen in 1889 and 1890.

Mr. AMES.—Out.

Mr. SHANNON.—The next is Ste. Luce station, \$80. Cash stolen from station when station was burglarized, March, 1883.

Mr. AMES.—Out.

Mr. SHANNON.—Springhill and Parrsboro Railway, \$3,161.99. These are traffic balances between the years 1876 and 1880. This railway is not now in existence. This was the old railway, and the present Springhill Mining Co. and the Cumberland Coal and Railway Co. have now possession of it. There were no means by which we could collect this sum from the old company. It has been standing between 1876 and 1880.

Mr. AMES.—Strike off \$3,161.99.

Mr. SHANNON.—The next is Shediac station. Cash stolen in 1900, \$34.70.

Mr. AMES.—Strike out.

Mr. SHANNON.—The next is Sackville station. Cash stolen from station in August, 1896, \$10.17.

Mr. AMES.—Strike out.

Mr. SHANNON.—St. Alexandre station. Remittance lost in transit July, 1894, \$25.90.

Mr. AMES.—Strike out.

Mr. SHANNON.—Ste. Louise station. Shortage of late agent in April, 1899, 66 cents.

Mr. AMES.—Out.

Mr. SHANNON.—The next is Schooner *Mary Jane*. For freight charges on goods carried in 1881 to Pointe Du Chêne station, \$71.30. The owner of the vessel failed and died.

*By the Chairman:*

Q. What year?—A. 1881.

Mr. SHANNON.—The next is the St. John Street Railway Co., \$31. This was for damage to crossing gate at Mill Street in 1889, and again in 1893. The account was

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placed in the hands of the Department of Justice, but the company does not now exist.

Mr. AMES.—No good.

Mr. SHANNON.—The next is the St. Anaclet station. Cash stolen in December of 1904, \$11.

Mr. AMES.—Strike out.

Mr. SHANNON.—The next is R. A. and J. Stewart, \$41.39. This was for damage to the wharf at Pictou Landing by the steamship *Clifton* of which they were owners in December, 1886.

Mr. AMES.—Strike out.

Mr. SHANNON.—The next is the St. Francois Bridge Company, \$49.59. This was for second hand rails taken to protect bridge in 1899. I do not think the company exists at all now.

Mr. AMES.—Mark it off.

Mr. SHANNON.—The next is C. P. Talon, \$82.17. This is the amount short in his accounts while agent for the I.C.R. at Murray Bay. He has been dead now for some years, and I think that should come out of station balances.

Mr. AMES.—Out.

## THE TOBIQUE VALLEY RAILWAY.

Mr. SHANNON.—The next is the Tobique Valley Railway, \$2,739.25. This is for hire of locomotives. Does the Tobique Valley Railway exist now, Mr. Pottinger?

Mr. POTTINGER.—I do not think it does.

*By Mr. Maclean:*

Q. How long did they have them?—A. From June, 1896, to June, 1898.

Mr. POTTINGER.—We had better let that stand.

*By Mr. Ames:*

Q. They have paid us absolutely nothing since 1896. Has any attempt been made to collect or is it possible to collect?

The CHAIRMAN.—I think you had better let that stand.

## I. &amp; C. LEDGER UNCOLLECTABLE ITEMS.

Mr. SHANNON.—The next is the Town of Dartmouth, \$32,000. This is an amount payable under an agreement between the Town and the Queen in connection with the operation of the Devon Branch Railway, between 1886 and 1893. They promised to guarantee us so much a year, \$4,000 a year, for so many years to cover any loss, and they never paid us a cent. We kept a charge until the time when the bridge between Halifax and Dartmouth was blown away, but there was no more running of trains. We have never got a cent from them.

*By Mr. Ames:*

Q. What did they claim?

Mr. POTTINGER.—They claimed that we did not provide sufficient terminal facilities in Dartmouth. The bridge was washed away and the connection was broken.

*By Mr. Ames:*

Q. Is there any use of maintaining that item?

Mr. POTTINGER.—I am afraid not.

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Mr. AMES.—We had better take that off. Is there no possibility of a counter claim.

The CHAIRMAN.—Consider this phase of the matter. If this committee decide to strike that off, we convey to those people an assurance that they are no good. Suppose they come with a claim of their own. What position are we in?

Mr. MACLEAN.—If we strike it off the books, we do not destroy the claim.

Mr. AMES.—We can make it clear that although we strike them from the assets, we are not vitiating our right to collect, if it is of any value.

Mr. MACLEAN.—It is a big amount; it has no right to be there.

Mr. AMES.—I would suggest that if we strike it off, we should get from them a full statement of any counter claim.

The CHAIRMAN.—I think these accounts should be wiped off, but still when we do this, we should see that in the event of these companies having any counter claim, if the account is closed at the one end, it should be closed at the other.

Mr. SHANNON.—The next is Trois Pistoles station, cash and charges on freight destroyed by fire in the burning of the station in February, 1901, \$97.37.

Mr. AMES.—Strike out.

Mr. SHANNON.—Uncurrent and failed bank notes, \$82.20.

Mr. AMES.—Out.

Mr. SHANNON.—Next is the Union Bearing Co., \$928.18. This was for labour and material used in the trials of a patent axle box in 1887. No chance of collecting.

Mr. AMES.—Strike out.

Mr. SHANNON.—The next is the Valley station. Cash stolen from station. January, 1889, \$6.65.

Mr. AMES.—Strike out.

Mr. SHANNON.—Next is Weldford Station. Remittances lost in transit in December, 1881, \$55.

Mr. AMES.—Strike out.

Mr. SHANNON.—The next is Wentworth station. Cash stolen at burglary of station in August, 1899, \$33.24.

Mr. AMES.—Out.

Mr. SHANNON.—The next is Western Counties Railway (General Account). This is for one-third of the earnings which accrued between Halifax and Windsor Junction, during the time previous to 1879 that the Western Counties Railway operated the Windsor Branch with running powers between Halifax and Windsor Junction, September, 1877, to November, 1879, \$15,893.35.

Mr. MACLEAN.—That might as well go out.

Mr. SHANNON.—Next is Western Counties Railway (Traffic). This was for the same thing, interchanged traffic balances, Windsor station in 1879, amounting to \$1,657.42. We got cash to the amount of \$1,592.85, leaving a balance of \$64.57.

Mr. AMES.—Strike out \$64.57.

Mr. SHANNON.—The next is A. N. Whitman & Son, \$150. This was for the use of a barge hired by a man named Lantalum to go down to the Strait of Canso to do some wrecking there. It was handed over to Whitman, and Whitman kept it awhile, and then it went ashore and was broken up. We could not get anything either from the man who got the barge or from Whitman.

*By Mr. Maclean:*

Q. Is this for the value or for the use of the barge?

Mr. POTTINGER.—I think this is so much a day for the use of it.



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*By Mr. Ames:*

Q. Was not Lantalum really responsible for it?—A. He was the man who wanted it in the first instance.

Q. Is he not good for it?—A. He claims he handed it over to the other people.

*By Mr. Maclean:*

Q. On whose instructions?—A. I am not clear whether he had any instructions from anybody.

Mr. MACLEAN.—If he had not, he should pay the bill.

Mr. AMES.—I think you should proceed against Lantalum for that. It is only five years ago.

Mr. POTTINGER.—We will try.

The committee adjourned to meet at 8.30 p.m.

## HOUSE OF COMMONS.

ROOM No. 34.

THURSDAY, April 22, 1909.

The Sub-Committee met at 8.30 o'clock p.m., Mr. Maclean (Lunenburg) presiding in the absence of the chairman.

Mr. AMES.—There are two items, Mr. Pottinger, that you were to give us additional information on. Have you got that information so that you can explain the items, if not, they shall have to stand over.

Mr. POTTINGER.—The time was so short it was impossible to obtain it.

Mr. AMES.—The National Labour Congress item, have you got that?

Mr. POTTINGER.—Mr. Bell is to get the papers from the department the first thing in the morning. The Railway Department gave the order about that.

Mr. SHANNON.—There is another item in the I and C ledger. This is a charge which has been sent to the Public Works Department.

Mr. AMES.—That is in the Public Accounts is it?

Mr. SHANNON.—You will find it there.

Mr. MACLEAN (Lunenburg).—You will find it on page 62 near the bottom.

Mr. AMES.—Yes, I see it: Department of Public Works, \$16,931.24.

## I. &amp; C. LEDGER DISPUTED ACCOUNTS.

Mr. SHANNON.—The amount is \$14,814 of that. The item consists of: 'To 560 feet spruce deals at Halifax, \$7.00; to coal supplied, \$102; value of original superstructure of the Restigouche bridge, since transferred to provincial authorities in Quebec and New Brunswick for a highway bridge, \$14,705,' making a total of \$14,814. We sold the spruce deals to them in 1905, and supplied the coal in the same year.

Mr. AMES.—The bridge referred to is the one across the Matapedia river?

Mr. SHANNON.—That is the one across the Matapedia river.

Mr. AMES.—Have you billed the Department of Public Works for that?

Mr. SHANNON.—The Public Works Department had a parliamentary appropriation the year before last to pay for this bridge, but they allowed it to lapse. I have 1—9½\*

been in correspondence with the chief engineer about it, and they promised me that they would have a large item in the estimates this year to cover the item, but they did not.

Mr. AMES.—There are to be some supplementaries for this year.

Mr. SHANNON.—This is similar to the items you dealt with in the Post Office and Militia Department.

Mr. AMES.—It is a matter in dispute between the Public Works Department—

Mr. SHANNON.—And the Intercolonial Railway, it could not be wiped out.

Mr. MACLEAN (Lunenburg).—There has evidently been an intention on the part of the Public Works Department to recoup you.

Mr. SHANNON.—They rather dispute the first two items, and about the bridge, I was told to-day in the Railway Department that they would have to pay for it, but I do not know any more than that. I think the matter should be placed before the Public Works Department, and when you are in possession of their statement, refer it to the Department of Justice.

Mr. AMES.—Then, in the matter of the Restigouche bridge, the Intercolonial Railway management is requested to place its estimate of the cost in writing. The secretary will then communicate with the Department of Public Works and ask them why they do not pay the account. The two communications will then be referred to the law officers of the Crown who will be asked to give a speedy decision one way or the other. (See Exhibits R and RR.) Now have you any more items under I. and C. ledger?

#### I. & C. LEDGER UNCOLLECTABLE ITEMS.

Mr. SHANNON.—There is the item: 'Midland railway of Nova Scotia, \$7.07.'

Mr. AMES.—Has that railway ceased to exist?

Mr. SHANNON.—Yes, the Dominion Atlantic took the line over and they would not pay the account, it being a matter entirely in the hands of the old company, the Midland Railway Company.

Mr. AMES.—How far back does it date?

Mr. SHANNON.—Back to 1905 or 1906. The item is made up of: 'Overcharge, \$3; car service, two items, \$2.80 and \$21; and overcharge, 27 cents.

Mr. AMES.—That should be marked out.

Mr. SHANNON.—I think that had better be marked out.

Mr. AMES.—You have one more item, have you not?

Mr. SHANNON.—One more item. This is the Maritime Engineering Company: 'To turning one power wheel, 6 hours labour at 40 cents an hour, \$2.40.' Shortly after this work was done the company failed and went out of business. We tried to collect the amount, but could not. The legal expense in trying to do so would be a great deal more than the item itself.

Mr. AMES.—Looking over other items in the I. and C. ledger. Take the Beersville Railway and Coal Company. Is that perfectly good?

Mr. SHANNON.—That is closed up, the amount has been paid.

Mr. MACLEAN (Lunenburg).—Most of these accounts are running accounts.

Mr. SHANNON.—Yes, those that I do not read out.

Mr. MACLEAN (Lunenburg).—Those that you do not read out are running accounts of the Intercolonial with a railway company of good standing. Is there any part of these accounts that is under dispute to such an extent that you cannot collect.

Mr. SHANNON.—Supposing when we come to a final conclusion in any matter, if we had overcharged another railway, then we would have the right to deduct that

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overcharge, without coming before the committee, I think, because that would be a clerical error. This is, if they can prove to our satisfaction that we have overcharged them.

Mr. MACLEAN (Lunenburg).—I do not see much necessity of printing these things, certainly not for public use.

Mr. AMES.—They print the items in the Report of the Department of Railways and Canals.

Mr. MACLEAN (Lunenburg).—There is no necessity for printing it in the Public Accounts. These details are printed in the reports of the Railway Department you say?

Mr. SHANNON.—Yes. We send a statement to the Department. Take the general balance for the year, ending March 31st, 1908, we have got to furnish them with a statement.

Mr. MACLEAN (Lunenburg).—I would give the total.

Mr. SHANNON.—We give them the details and they use their own discretion as to what they will publish.

Mr. AMES.—Your most troublesome customers appear to be the other Departments.

Mr. SHANNON.—Yes, they are rather troublesome, particularly the Post Office Department.

Mr. MACLEAN (Lunenburg).—Do you make all the departments pay now for any services performed by the Railway?

Mr. SHANNON.—We endeavour to do so.

Mr. MACLEAN, (Lunenburg).—Do you find it difficult to make them pay?

Mr. SHANNON.—I can give you one example that comes to my mind and that is with respect to the Post Office Department and the English mails. We have to put on a train at Halifax in winter time to convey the mails and passengers from the English steamers to Montreal. I have seen on this train as many as six baggage cars filled with mail. There is on this train a dining car and sleeping car for the passengers and a first class car. These run all the way to Montreal. Now they claim that inasmuch as they pay us so much a mile for the ordinary transportation of mails, we have no right to charge them for that train until it reaches Chaudiere Junction. From that place they pay us 8 cents a mile for one postal car.

Mr. MACLEAN (Lunenburg).—Do you run that train from Halifax to St. Rosalie free for the Post Office Department?

Mr. SHANNON.—To Chaudiere Junction.

Mr. MACLEAN (Lunenburg).—Do you run the train free?

Mr. SHANNON.—No, but without extra charge. The Department of Railways and Canals, having taken the matter up, have said that the Post Office Department must pay us so much a mile for that train. I have a statement of the communications which have passed to and fro, and there has been a good deal of discussion. I charged the Post Office Department for the baggage cars carrying mail in excess of the one baggage car. They simply sent me a cheque for the one car and deducted the balance; the remainder of the charge they said they would not allow. I have not yet given them a receipt for the amount, and do not intend to.

Mr. MACLEAN (Lunenburg).—I do not think it is fair for the Intercolonial to be asked to run that train free.

Mr. SHANNON.—We run that train at tremendous expense to the country without getting any return for it, because there might be only a few passengers going through.

Mr. AMES.—Would you like a history of that to be drawn up and submitted with the other questions?

Mr. SHANNON.—That is for the General Manager, not for me to say. You can ask him the question. I have just given you an instance showing the situation as it exists.



Mr. AMES.—Would you like, Mr. Pottinger, to have a history of this matter drawn up and submitted with the others?

Mr. POTTINGER.—Not exactly in that way. I think it is almost better to leave it to the department. I may explain that when the Intercolonial Railway was opened through from Moncton to Rivière du Loup, an arrangement was made with the Post Office Department by which they paid the railway so much per mile of railway for carrying all the mails.

The rate per mile was increased on two occasions and is now \$130 a mile of track.

When the Rivière du Loup Line was purchased from the Grand Trunk, the arrangement was extended to Lévis, and the Post Office Department paid the rate per mile of track for the additional mileage.

When the railway from New Glasgow to the Strait of Canso was purchased from the Nova Scotia government, the arrangement was extended to that line, and the Post Office Department paid the rate per mile of track for the additional mileage.

When the Oxford and New Glasgow line, and the Cape Breton line were built and put into operation, the arrangement was extended to those lines, and the Post Office Department paid the rate per mile of track for the additional mileage.

When the Drummond line was purchased and the Intercolonial Railway commenced to run trains over it from Lévis to Montreal, I asked the Post Office Department if they wished us to carry mails in our trains over it. They answered that they did not, as they already had an arrangement with the Grand Trunk for carrying mails between Point Lévis and Montreal.

The Post Office Department, soon after, requested the railway to haul the postal car which came from Halifax on its train from Lévis to Montreal, stating that they would lock it up and send no mail clerks in it and do no business along the line.

As the railway wished to be accommodating, this request was complied with and the postal car was hauled daily from Lévis to Montreal without the clerks.

After a few days, without any further reference to the railway, the Post Office Department put the clerks into the car, and carried on the postal business in the same way as on other parts of the line.

Subsequently, they offered to pay for the service at the rate of eight cents a mile run by the train.

This the railway declined to accept. We claimed payment at the rate of \$130 a mile of track, the same as paid for other portions of the line.

The answer of the Post Office Department was that they were already paying the Grand Trunk and could not pay both railways.

The railway refused to accept payment at the rate offered by the Post Office Department, and the matter continued in that way until the close of the fiscal year, when the Acting Minister of Railways and Canals said it would be better to accept the payment offered, so as to permit of the accounts of the Post Office Department being closed. Payment was accepted accordingly, and payments continued at the reduced rate.

The Post Office Department will not consent to the extension of the rate of \$130 a mile of railway to the line from Lévis to Montreal, although the railway performs exactly the same service over it as over other parts of the Intercolonial Railway.

A fast special train with the mails to and from Europe has always been run weekly and no extra charge has been made for this service. Recently a question has arisen between the Post Office Department and the railway in regard to this train on the line from Lévis to Montreal on that portion of the Intercolonial Railway, as I have explained, for which the Post Office Department decline to pay the rate per track mile of \$130. That department wish to pay the railway for this special train service over the line between Lévis and Montreal at the postal car rate of eight cents a mile run. That is the rate at which they pay for the service of one postal car on the regular train, whereas the mails carried by the special mail trains fill from five to nine cars.



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The matter was submitted by me to the Railway Department, and that department gave notice to the Post Office Department, that commencing with April 1st, 1909, the special mail train would not be run over the line between Lévis and Montreal unless the Post Office Department would agree to pay \$2 a mile for that service.

No answer has been received from the Post Office Department, the reason, I am informed, being that the Deputy Postmaster General is absent from the country.

The railway, therefore, continues to run these special mail trains weekly between Lévis and Montreal as before, in the hope that a fair settlement will be made when he returns.

The CHAIRMAN.—I do not know how far we can go in making a recommendation about this matter, because it is a question of transportation policy, but it is a bad thing to have the Intercolonial Railway working for another department for nothing, because it hurts the accounts, and it is bad for the railway.

Mr. RHODES.—It is germane, I think inasmuch as this arises from the consideration of one of these items which has been referred to us.

*By Mr. Ames:*

Q. The question is how much, in the way of accrued accounts, have you against the Post Office Department at the present time?—A. I think I said that we had notified the Post Office Department we would not run the train any more unless they pay us \$2 per mile, but we are still hauling it that way week by week, because the Deputy Postmaster General is absent in Australia and has not returned; so that we have not had any reply from the Post Office Department as to what they are going to do about it.

Q. What chance have you of collecting these back charges of \$2 per mile against them?—A. We have not made any charge of \$2 per mile against them previous to the 1st of April, the date at which we notified them the charge would commence.

Mr. SHANNON.—You asked me, Mr. Ames, whether we had been treated properly by the Post Office Department, and I quoted the Post Office Department as an instance. It is not that we have any charge on the books against that department, but I quoted this as an instance to show that we have not been treated properly by the other departments.

Mr. SHANNON, recalled.

Q. I should suppose that these troubles are not of recent origin, but that they have been going on for some time, and that having gone on for some time, there must have been a considerable amount accrued in charges against them on your books?—

A. No, we had not the right to charge that.

*By the Chairman:*

Q. There is \$19,000 against them here?—A. That is one account, a lot of that has been paid since.

*By Mr. Ames:*

Q. And with respect to that item you consider all was payable except \$107.48?—A. Yes, that was about those catching posts.

Q. And in that total, there are no other items you do not expect to be able to settle?—A. We ought to be able to settle them, we are entitled to them, and they ought to pay.

Q. Are there any claims you would like us to submit to the Law Department for adjudication?—A. I gave you a statement of the Post Office Department the same as I did for the Militia Department.

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Q. There is one other item I notice: 'Grand Trunk Railway Suspense Account, \$98.75,' what is that?—A. That is before the arbitrators. That will be dealt with in their award.

Q. If the arbitrators decide that it is no good?—A. Then it will have to go out.

Mr. POTTINGER.—That is only a small thing, it is an item, 'amount paid to the station agent at Lévis for wharfage upon a train of fifteen cars of asbestos for export from the Quebec Central Railway, \$98.75. It is an item that went to arbitration between us and the Grand Trunk. We claim that we have the right to use free from all charge, under the agreement made with the Grand Trunk Railway in 1879 for the purchase and surrender of the Rivière du Loup line, the Point Lévis yard wharfs and premises of the Grand Trunk. In recent years the Grand Trunk have been claiming the right to charge on the freight coming off the Quebec Central Railway, which they say is not the freight of the Intercolonial Railway at all. We take this freight at Lévis. The Quebec Central Railway runs over five miles of our track, we have the freight there and run it down to the wharf, but the Grand Trunk says that is not freight of the Intercolonial, and that we are not entitled to use the yard for that purpose.

Q. That is under adjudication?—A. Yes.

Q. Halifax Station (labour), \$1,500?—A. That is a credit which has to be made to the terminal agent, we put \$1,500 in the bank there, and if there is any extra pay roll which arises for work when the vessels come in, then the agent has the right to draw on the Bank of Montreal up to \$1,500, and the bank is recouped, as soon as the pay rolls, properly certified to, come to us. It is an account which is practically settled every month. You will have the same thing at Pictou.

*By the Chairman:*

Q. Has this Halifax and Southwestern Railway \$54,572.79, account been liquidated?—A. No, that of course is a running account.

*By Mr. Ames:*

Q. Take the New Brunswick and Prince Edward Island Railway Company, \$3,040.19?—A. Only the other day I got an amount on account from them.

Q. Is there not a very considerable old balance there?—A. Yes, I am pressing them for payment and I get a cheque from them occasionally reducing the amount.

Mr. MACLEAN (Lunenburg).—Who owns that road?

Mr. POTTINGER.—It is Senator Wood's road.

Mr. AMES.—I will tell you what I wish you would prepare for us, Mr. Shannon, when you get back—I don't think you will have great difficulty in doing it—a statement in connection with those branch railroads that you deal with showing—say for the last 5 years—how the balance stood at the end of each year, in order to see whether they are keeping pace or gaining on you every year.

Mr. SHANNON.—I am afraid it is a case of gaining a good bit.

Mr. AMES.—Well where it is gaining—

Mr. SHANNON.—Of course, you could get the information from the blue books.

Mr. AMES.—Only by carefully digging it out. Perhaps it would be only necessary to do that in the case of the railroads in Canada.

Mr. SHANNON.—The American railroads I would not touch.

Mr. AMES.—Just make it railroads in Canada.

Mr. SHANNON.—I would not take the Grand Trunk or the Canadian Pacific Railway, any one of these big roads that we are dealing with the whole time.

Mr. AMES.—Not if you are satisfied that they are—

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Mr. SHANNON.—Those are going concerns.

Mr. AMES.—You have disputes, of course, with the Grand Trunk and the Canadian Pacific Railway?

Mr. SHANNON.—So have they with us. When I went down to Moncton first, the Canadian Pacific Railway wrote and forwarded me a big statement containing a lot of things. They said we owed them these amounts. I took the matter up with the different heads of the department and thrashed the thing out, and finally we were able to wipe off the whole of it. They are doing the same thing for me now, both the Grand Trunk and the Canadian Pacific Railway.

Mr. AMES.—I would like you to take up the railroads such as the New Brunswick and Prince Edward Island railway that have had dealings with the Intercolonial Railway, for a period of the last 5 years and let us see how, at the end of each fiscal year, the accounts actually stand, because you may have to adopt a policy towards these branch lines of insisting upon them, at least, to keep these accounts even. (See Exhibit S.)

Mr. MACLEAN (Lunenburg).—How often do you settle with other railways? What is the practice among railways in that regard?

Mr. SHANNON.—We settle with some every 10 days, and some once a month.

Mr. POTTINGER.—The usual thing is monthly settlements except in the case of these small roads. We do not give credit to them for a longer period than a week or 10 days.

Mr. SHANNON.—Every 10 days we draw, in the case of some of them.

Mr. MACLEAN (Lunenburg).—Of course these statements might afford information and they might not, because these accounts might be all good, and therefore the information might be misleading.

Mr. SHANNON.—Of course, they might be misleading, there is no mistake about that.

Mr. AMES.—They would be only taken from what they really did show. Prepare a statement covering a period of 5 years and give us an opportunity of seeing how the accounts of these railroads stand.

Mr. MACLEAN (Lunenburg).—Send the statement up anyway.

Mr. AMES.—And we will decide whether it is useful or not. What recourse have you against these branch lines? Of course, they impose upon the Intercolonial.

Mr. SHANNON.—What do you mean by 'impose,' Mr. Ames?

Mr. AMES.—I mean, take \$3,000 worth of service from you and pay you only \$1,500 in cash or so. What recourse have you or what way have you of bringing them to time? Take that Caraquet Railway for instance.

Mr. SHANNON.—You were discussing the New Brunswick and Prince Edward Island Railway.

Mr. AMES.—What way have you of bringing one of these railroads to time?

Mr. SHANNON.—We would submit the matter to the Department to bring pressure to bear upon it.

Mr. AMES.—What can you do in such a case?

Mr. SHANNON.—Beyond writing them pretty severe letters and bringing the matter to the attention of the department, I do not see very well what more we can do.

Mr. AMES.—And then you can sue them, can you not?

Mr. SHANNON.—We could not sue them unless the Department would permit it.

Mr. MACLEAN (Lunenburg).—Are you ever a debtor to the Caraquet or to the New Brunswick and Prince Edward Island Railway?

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Mr. SHANNON.—Whenever we are, we place the amount to their credit. We do not pay them, but we take advantage of the amount.

Mr. AMES.—Take the case of New Brunswick and Prince Edward Island Railroad, we have here a statement of the accounts running from 1903 to 1907. That railway became a debtor to the Intercolonial to the amount of \$3,975, and during that whole time they only paid you \$979. That is, you have given them nearly \$4,000 worth of service in that space of time and they have not paid you \$1,000 in cash. These amounts are accumulating year after year with these railroads. They are sitting down on the Intercolonial and making the latter supply them with cars and they are not paying for them.

Mr. MACLEAN (Lunenburg).—If it stopped there it would not be so bad, but it swells the deficit of the Intercolonial Railway.

Mr. SHANNON.—Oh no, it does not swell the deficit.

Mr. MACLEAN (Lunenburg).—Your annual financial statement would be affected.

Mr. SHANNON.—We debit them with a car service work.

Mr. MACLEAN (Lunenburg).—And then the accumulated interest charges amounts to considerable in a number of years. The Intercolonial is actually carrying interest charges in addition to giving them that accommodation.

Mr. SHANNON.—I do not know what effect it would have if we refused to allow them to have cars.

Mr. POTTINGER.—We would do that very soon if it did not affect the public. But the public would suffer in that case and they would cry out.

Mr. AMES.—I cannot see why you should be so very solicitous for the public off your own lines?

Mr. SHANNON.—Yes, but if you lived in that territory you would understand that perfectly well.

Mr. MACLEAN (Lunenburg).—That is one of the evils of government operation.

Mr. AMES.—Why should this government necessarily assume the obligations towards the public of all the branch lines as well?

Mr. POTTINGER.—You see that branch line is just as much in the county of Westmoreland as the Intercolonial.

Mr. AMES.—That may be.

Mr. POTTINGER.—This railway and all the others are close at hand.

Mr. AMES.—I cannot see any other reason than a political one, why the fact that it is in the county of Westmoreland should have anything to do with the matter.

Mr. POTTINGER.—I mean it is in one county. That county is one the Intercolonial runs through

Mr. AMES.—Here is an admirable case in point where one of these branch lines deliberately brought out your cars all the time and runs up within a space of five years a debit of \$4,000 during which time they only pay you less than \$1,000. In other words they get three-quarters of all that car service free, if anything, and they are perfectly content that you should continue to carry the amount on your books as an asset.

Mr. POTTINGER.—Perhaps it is right that I should give the branch railway's side of the case in regard to this. The per diem rules and car service rules make no provision for giving the terminal railway, from which the freight starts, or the terminal railway at which it is delivered, any allowance of time for the loading and discharge of cars. Do you understand me?

Mr. AMES.—Yes.

Mr. POTTINGER.—The intermediate railways have to pay the same as the terminal railways for all the days that the car is on their road. Now that does not affect very



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severely the big roads like the Grand Trunk and us, because our cars are on the Grand Trunk and Grand Trunk cars are on the Intercolonial.

Mr. AMES.—And their cars are on our line, because it is a company that has cars.

Mr. POTTINGER.—Yes, but when you come to these small railways—

Mr. AMES.—That have practically no cars.

Mr. POTTINGER.—Yes, they have a few, but if they have to bear the time that the cars are detained in the delivery of freight you see, it comes rather hard on them. A car of flour, for instance, comes down to Sackville station, we would deliver that flour at the station, but Mr. Wood has to allow the private individual to whom that car is assigned 24 hours for taking delivery of it after he has received notice of his freight. Now supposing Mr. Wood's road takes that car of flour from us, we do not allow him anything, he hauls it about three miles and he is handicapped by having to wait until the people get it unloaded, but we charge him for all that time.

Mr. AMES.—What amount do you charge?

Mr. POTTINGER.—Twenty-five cents a day, and the whole of the days that the car is on that branch line are charged.

Mr. AMES.—On the other hand he is really renting your cars at a charge of 25 cents a day, because he hasn't any cars of his own.

Mr. POTTINGER.—Yes, but he gets, perhaps, one dollar for hauling this car that distance on his line, and he has to pay out for it sometimes more than he gets in freight.

The CHAIRMAN.—You think this arrangement is rather hard on Senator Wood?

Mr. POTTINGER.—I should not say Senator Wood, but on all these branch lines, they are all very similar; but in this particular instance, a large part of the freight for the town of Sackville, goes out about two miles for more convenient delivery along the line.

Mr. RHODES.—There are two stations at Sackville.

Mr. POTTINGER.—Yes, Upper Sackville and Sackville, and he gets a small amount for shunting the cars up to Upper Sackville, and we charge his road for the number of days that the car is away from Sackville, and he has to bear the loss of time the people are unloading the cars. He has to give them 24 hours to unload it anyway, and it is very difficult for him to collect any more than he is doing.

The CHAIRMAN.—But he is satisfied with the arrangement?

Mr. POTTINGER.—He is not.

The CHAIRMAN.—The liability is here, you have charged it against him, he accepts it and does not dispute it.

Mr. POTTINGER.—Yes, he does dispute it, he has been to see Mr. Emmerson at Moncton several times.

The CHAIRMAN.—If the charge is an unfair one, it should be made fair, and you should collect it.

Mr. POTTINGER.—He is no worse off than these other branch lines which are nearly all in the same position.

Mr. AMES.—Nearly all of them have accumulated large accounts.

Mr. POTTINGER.—Certainly.

The CHAIRMAN.—How much do these New Brunswick branch lines owe you altogether, disputed and undisputed?

Mr. SHANNON.—It will take some time to work that out.

Mr. AMES.—The Caraquet Railway is worse than that.

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Mr. SHANNON.—There is nothing of that sort in the New Brunswick and Prince Edward Island Railway account. There are no items in that account similar to that, in the Caraquet account.

The CHAIRMAN.—Do you supply the New Brunswick road with cars altogether, have they none of their own?

Mr. POTTINGER.—They have a few of their own, but whatever freight passes over the Intercolonial from the branch lines, or from our lines to the branch lines, it is to our advantage that it should be in an Intercolonial car, because we would not want to have to pay them for the use of their cars. There is a lot of hay comes from the New Brunswick road and goes to Halifax, for instance, and lumber comes off that road and goes to other places, and we would rather have it in our own cars.

## THE CARAQUET RAILWAY ACCOUNT.

Mr. AMES.—You see that item of the Caraquet railroad?

Mr. SHANNON.—That is \$20,522.54, which is for hired rolling stock, and the value of some rolling stock sold to them.

Mr. AMES.—Yes, but take that railroad, and you will find that the account begins in 1889, and this shows that since 1889 the Caraquet railroad has run up, between 1889 and 1907, \$20,717.

Mr. POTTINGER.—Yes, but you have to take the credits off that.

Mr. AMES.—Quite true, and during that time the road is credited with having paid \$5,130, so that at the end of 1907 they have a debit against them of \$15,587. In other words, it would certainly seem that the Caraquet railroad have received four years service on which they have paid only one year.

Mr. SHANNON.—That is not car service?

Mr. AMES.—It is 'hire of engines and car service.'

Mr. SHANNON.—That car service I am speaking of is not the same car service that Mr. Pottinger speaks of with regard to the New Brunswick railway, where the cars go out with freight.

Mr. AMES.—This case is still worse, it is the actual hire of rolling stock. The Caraquet railway have made the Intercolonial supply them with rolling stock which they have hired and on which they have paid at the rate of 35 per cent of the charges against them. You see, Mr. Chairman, that is where the trouble comes in.

Mr. CHAIRMAN.—It is one of the difficulties of government operation, I suppose.

Mr. AMES.—The point I am raising is that it is bad enough to have the Intercolonial railway handicapped by certain contingencies on its own line that cannot be helped, but it is too bad that other lines that connect with the Intercolonial are able to place three-fourths of their burden on the Intercolonial, and make them carry it too. What I am wondering is what recourse the government and its new commission, that has been formed, have against these railways?

The CHAIRMAN.—I am afraid, Mr. Ames, we are drifting into something that has not been referred to us.

Mr. AMES.—Is there any way by which we can recommend that these large accounts of accumulated arrears can be reduced?

The CHAIRMAN.—I think we will be justified in making a bald recommendation that the Intercolonial should make more energetic efforts to collect these outstanding accounts promptly. I think if we go beyond that, they will say that we are trying to run the railways.

Mr. AMES.—It is certainly a condition of affairs that some effort should be made to remedy. I feel confident that the officers of the road have made all the effort they

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were able to make within the restricted limits of their jurisdiction. Is there any way, Mr. Pottinger, that you could suggest in which parliament could come to your assistance, because I think it would be within the jurisdiction of this committee to make a recommendation, if any recommendation we might make would help, you might possibly be able to do something.

The CHAIRMAN.—Most of these New Brunswick branch lines are owned by some public men, are they not? Senators, members of parliament and other public men?

Mr. AMES.—Is there anything you could suggest by which this state of affairs could be bettered

Mr. POTTINGER.—I do not know of anything just now, I am sure.

The CHAIRMAN.—It is an ordinary business transaction. I admit that an ordinary business man would not allow his Open accounts to accumulate in that way. If Senator Wood complains that the charges are unfair, the matter should be looked into, and if that is found to be so, make the charge fair and then let him pay up like a man.

Mr. POTTINGER.—You speak about making it fair, but you see this is the uniform arrangement adopted by all the railways on the continent of America, and it is a very serious thing to alter it. I merely mention that it bears hard on the small terminal railways.

Mr. AMES.—Well here is a fair question: Is it the rate the Canadian Pacific Railway and Grand Trunk charge you?

Mr. POTTINGER.—Certainly.

Mr. AMES.—Then do you charge the Canadian Pacific Railway and the Grand Trunk the rate they charge you?

Mr. POTTINGER.—Certainly.

Mr. AMES.—I do not see how you could discriminate between these other railroads.

Mr. POTTINGER.—If you are done with that item, the next is a small balance that is due.

Mr. AMES.—Purcell & Fallon, \$245.57.

Mr. POTTINGER.—Yes. Mr. Butler says that a settlement was made with these people, that there are no claims coming in and that in his opinion the \$245.57 should be written off.

Mr. AMES.—Mr. Shannon, do you want to take up that account of \$22.22?

Mr. POTTINGER.—We have the papers in regard to that, but have not had time to look at them.

Mr. SHANNON.—Will you please turn back to 'Stations outstanding.'

Mr. AMES.—Yes.

Mr. SHANNON.—There is one item which I should have spoken about. The explanation is that at Campbellton station we had a fire in November, 1907, and there was a tremendous quantity of goods destroyed in the freight shed that came in over our road on which there were \$641.95 freight charges. Now this amount should be wiped off, because you cannot collect, not being able to hand over to the people the goods that were burned.

Mr. AMES.—Very well, we will take note of that.

Mr. MACLEAN (Lunenburg).—Where is that?

Mr. AMES.—It is to be deducted from the item \$171,513.14, the first item on page 58.

Mr. SHANNON.—The first item 'Stations outstanding.'

## I. C. R. TRAFFIC LEDGER UNCOLLECTABLE ITEMS.

Mr. MACLEAN (Lunenburg).—Now we can proceed with the Traffic ledger can we?

Mr. POTTINGER.—You have done with the item concerning the Beaver Line, I think.

Mr. SHANNON.—We allowed the Beaver Line company a siding at their docks to accommodate the traffic, and in 1894 the company failed. The amount due is \$1,156.13.

Mr. AMES.—Strike that off.

Mr. POTTINGER.—‘Boston, Halifax and Prince Edward Island SS. Co.’ That company existed for one season and sold a ticket over the railway—

Mr. AMES.—One ticket?

Mr. POTTINGER.—For which they never paid us. The amount is \$29.23.

Mr. AMES.—Next.

Mr. SHANNON.—‘R. C. W. McCuaig, \$522.78.’ This man was a ticket agent at Ottawa. He failed in January, 1884. While a ticket agent, he was doing other business. We placed this account in the hands of the department to collect, but the man is now dead and there is no asset at all in the whole of that \$522.78.

Mr. AMES.—Next.

Mr. SHANNON.—Have you got an item there ‘William Miller, \$258.43.’ This man was an agent at North Sydney but cleared out in 1893. The amount mentioned represents the value of the tickets that were missing at that time. ‘Hatheway Line.’ That was a ticket balance in 1882 for \$11.10. That company failed.

Mr. AMES.—Next.

Mr. SHANNON.—I am sorry I have not got these in regular order. ‘St. Lawrence Steamboat Company, \$255.33. That company failed, so that item goes out too. ‘World Travel Co., \$51.30.’ In 1890 that amount was due us for ticket balances but the company failed and we could not collect. ‘Boston, Halifax and Prince Edward Island SS. Company.’ You struck that one out did you not?

Mr. MACLEAN (Lunenburg).—Yes.

Mr. SHANNON.—I took up the item of Price Bros. this afternoon.

Mr. AMES.—You said that was being fought in the courts.

Mr. SHANNON.—Yes, that is right.

Mr. MACLEAN (Lunenburg).—The Inverness Coal Company’s account is always alive.

Mr. SHANNON.—Always alive, and when it gets ahead, I just put it to their credit and send them the account. They kick up a row but it is all right. There is an item charged against the Marine and Fisheries Department about which I think I spoke this afternoon.

Mr. AMES.—Marine and Fisheries Department, we did not take up.

## I. C. R. TRAFFIC LEDGER DISPUTED ACCOUNT.

Mr. SHANNON.—The item is ‘SS. Minto, \$268.14.’ It is under the I. and C. ledger. These are claims which we have paid for and which they have a right to recoup us but have not yet done it. I have had the matter up with the agent at Charlottetown a good deal, but he pays no attention except to write me and ask for the number of these claims so that he can look the papers up. Then the matter will stand in abeyance for a few months until I call his attention to it again.

Mr. AMES.—How old are these claims?



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Mr. SHANNON.—They are standing since 1902. About 2 months ago I wrote to the agent at Charlottetown stating that if he did not do something about these claims I would at once take the matter up with the Department at Ottawa. I received a reply from him to the effect that I had better do so. Then I wrote to the Deputy Minister of the Marine and Fisheries Department the other day, but I have had no reply since. This account should be treated in the same way as the Militia and Post Office Department accounts.

Mr. AMES.—Well that is for the Law Department. You will make up your statement in the same way as in the case of the other accounts.

Mr. SHANNON.—My statement is here.

Mr. AMES.—And the Secretary will also write to the Marine and Fisheries Department to prepare a statement showing why these claims should not be paid and have the Law Clerk of the Crown adjudicate in the matter. (See Exhibit SS.) Now the Tobique Valley Railway, \$2,739.25.

## TOBIQUE VALLEY RAILWAY.

Mr. SHANNON.—That is hire of locomotives from January, 1896, to May, 1898, \$2,739.25.

Mr. POTTINGER.—We are going to get the papers about that, they are in Ottawa all right, but we have not had time to look over them.

Mr. SHANNON.—There are two items here for steamers, one a steamer called *Verda*, \$50.78. Now this steamer came in to Halifax in January, 1900, and when she was coming in she damaged our pier, No. 5, at the deep water terminus, necessitating repairs to the extent of that amount, and we have not been able to collect it.

Mr. AMES.—Why did you not libel her?

Mr. SHANNON.—She got out before we had a chance to do so.

Mr. AMES.—Where does she belong?

Mr. POTTINGER.—I do not know; that is the difficulty, there is no chance of collecting it, she was a tramp steamer, and the agents in Halifax would not pay. Of course they have no means of collecting now if we were to sue them.

Mr. SHANNON.—Then there is another account against the steamship 'Lake Ontario,' for damage to Pier No. 2, Deep Water Terminus at Halifax, in February, 1900, to the extent of \$17.04.

Mr. POTTINGER.—That was before the steamer was sold to other people.

Mr. AMES.—Are you through with the traffic items?

Mr. SHANNON.—Yes, and with car service.

Mr. AMES.—That only leaves your stock balance—oh, there is the Windsor Branch.

## I. C. R., WINDSOR BRANCH.

Mr. SHANNON.—There is only one item, the Dominion Atlantic Railway, \$135.33.

Mr. AMES.—Can you collect that?

Mr. SHANNON.—I have written, only the other day, but it has not been paid.

Mr. AMES.—Is that a disputed account?

Mr. SHANNON.—That is a disputed account, he has paid no attention to my letter, but I think we can collect it all right.

Mr. AMES.—How long since that was incurred?

Mr. SHANNON.—That was incurred about six or seven years ago.

The CHAIRMAN.—Is that on the I.C.R. ledger?

Mr. SHANNON.—No, that is the Windsor Branch; that account has been owing since 1901, it is for damage to track caused by a run-off of No. 5 train caused by a broken wheel on one of their cars, and the damage to the siding. There is a mistake in the public accounts, I drew the attention of the Finance Department to that, and if you take the amount of the Stores there, and the amount of the Open account as shown in the Public Accounts and add the two together, they will agree with the total of the general balance of the Windsor Branch Railway as given in the report of the Department of Railways and Canals.

Mr. AMES.—In other words this item of \$180.34 in the Windsor Branch Open Account should be—

Mr. SHANNON.—It should be \$135.33. (See Exhibit T.)

Mr. AMES.—It should be decreased by \$45.01.

Mr. SHANNON.—Yes, and the Stores account increased accordingly.

Mr. AMES.—Bringing it down to \$135.33, and the Windsor Branch Stores Account in the Public Accounts should be increased by \$45.01, bringing it up to \$49,240.41. Do you consider that amount to be collectable?

Mr. SHANNON.—I consider so, I am going to try to collect it at all events. (See Exhibit TT.)

#### I. C. R. STORES ACCOUNT.

Mr. AMES.—Now, then, there is the Stores Account of the Intercolonial, who has the statement of the Stores Account?

Mr. SHANNON.—Mr. Pottinger.

The CHAIRMAN.—That is not such a bad record going back a number of years.

Mr. AMES.—It is a pretty good purging, you know.

The CHAIRMAN.—I know, but they have been keeping things down pretty well. They have done very well, considering the disadvantage under which they are labouring, but I am not satisfied with the way in which the branch railways are piling up their accounts all the time.

Mr. AMES.—The total of the item for the Stores Account of the Intercolonial Railway is \$1,365,935.64, that is on page 6. Is that the statement as you have it, Mr Pottinger, at the end of the fiscal year, 31st March, 1908?

#### I. C. R. STORES BALANCE.

Mr. POTTINGER.—Yes, that is the balance from our books.

Mr. AMES.—Have you the details of that?

Mr. POTTINGER.—We have a detail of it just the same as we have of the Prince Edward Island stores account, there is a summary of the amount of stock as it was taken. (Producing document.) (See Exhibit V, a b.)

Mr. AMES.—This we will get incorporated in the minutes (reads):—

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*'Stores Balance, 31st March, 1908.*

Moncton store.. . . .	\$ 355,699 99
Stationery.. . . .	7,332 03
Roadway and bridge material.. . . .	1,028,062 43
Richmond store.. . . .	13,878 62
Mechanical stores (at various places).. . . .	82,659 44
Fuel store.. . . .	21,488 33
Superintendent 3rd Division.. . . .	1,052 54
	<hr/>
	\$1,509,673 88
Ledger balance, March 31, 1908.. . . .	1,365,935 64
	<hr/>
	\$ 143,738 24

Why is there a difference between the ledger balance and the stock book balance, Mr. Pottinger, of \$143,738.24?

MR. POTTINGER.—Because there is more value on hand than there is on the books.

Q. How do you account for the difference?—A. It occurs in a profit that we got in selling a lot of scrap and scrap rails above what we kept them at in the books. The prices of these materials have gone up in recent years.

Q. Have you based it on actual sales made, or on the advance in value of the scrap in your possession?—A. On the actual sales made. That is to say, we actually made that profit on the sales over and above the book value.

Q. Is that \$143,738?—A. Yes, it is an accumulation of 2 years at least.

## I. C. R. STOCK BOOK.

Q. I see. Now can you give me your stock book for Moncton?—A. Yes, we have it right here (handing stock book to Mr. Ames).

Q. Is the Mr. Logan who signs this, here with you?—A. He is the storekeeper but he is not here. We have the chief clerk of the general storekeeper here.

Q. This stock sheet I see has 806 different kinds of items which are arranged alphabetically and represent the classes of stock which the Intercolonial is accustomed to carry. Are the quantities mentioned here the quantities as found by actual enumeration prior to March 31, 1908?—A. By actual count and weight and measurement.

Q. It is not a bookkeeping computation but a computation made from actual counting?—A. No, it is not a bookkeeping computation. A certain number of people, 6 persons, took a count of these stores, an actual count.

Q. Have you certain men who take certain classes of stores?—A. This stock taking is done every year.

Q. What method is followed?—A. We endeavour to arrange it so that the people who take stock are not the same persons who are responsible for the accuracy of the materials in the store. For instance, in the case of the store at Halifax, we call some one who belongs to the store at Moncton and so on.

Q. You change your men from year to year?—A. Yes.

Q. The man who takes Halifax this year will not take that place next year?—A. No.

Q. Does the man who takes the stock make a sworn statement?—A. We have him make a certificate to us. The stock-taking is recorded in little books.

Q. Yes?—A. These books are compiled again. We have the books here in the building and we will bring them and show them to you. Each man certifies that he actually took a count of the stock himself personally when he signs them.

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Q. He takes the count alone, I suppose, or in company with the local man?—A. There is a local man with him, but the stock taker signs the book.

Q. Then who puts on the prices?—A. The prices are the store prices.

Q. Put up by whom?—A. The general storekeeper sets the prices for the use of the stores.

Q. There is one man whose duty it is to put all the prices on who is there?—A. Well, the prices are put upon the book.

Q. At Moncton?—A. At Moncton, by the general storekeeper.

Q. Does he take the prices from the invoices, or adopt the current prices at which these goods are being bought?—A. He puts on about 5 per cent on the purchase price for the cost of handling—the labour and all such things that would be involved in connection with them.

Q. On which price, on the purchase price?—A. On the purchase price.

Q. If the value of an article goes up you do not take advantage of it, and if the value goes down you do not make a note of the loss; you take it for granted that it about equalizes?—A. Yes, about equalizes and the prices put are revised perhaps once a year in case—

Q. That is your stock prices?—A. In case the prices go up or down. There is no object in making too much of a surplus.

Q. It is perhaps just a little away from what I am asking, but is any copy of this established price list placed in the hands of the different persons who are authorized or permitted to buy from time to time?—A. I do not quite understand you. You see a railway store is something like a co-operative store established by certain people to buy their goods cheaply. The only people that buy out of the railway stores are the various departments of the railway. They are the purchasers of the goods from the store.

Q. Yes?—A. And they have to stand any loss that there is, or they have the benefit of any surplus that there is.

Q. What I had in mind is this: You do not buy all your goods by tender, but occasionally purchase some small quantities from hand to mouth?—A. The great bulk of the supplies are bought by tender.

Q. They are bought by tender?—A. Yes.

Q. You keep in the department, I presume, what you might call an established price list for these 806 lines of goods?—A. You mean—

Q. A regularly established price list for these 806 lines of goods?—A. Is it the market price you mean?

Q. You have here?—A. These are not the prices at which we buy goods from other people.

Q. You buy at five per cent below these prices?—A. Five per cent below these prices.

Q. What I am after is, as to whether those persons, who are authorized by you to buy for the Intercolonial, are cognizant of what might be called the established prices, and when they buy from time to time and endeavour, as near as possible to buy at these established prices?—A. There is only one person who is authorized to buy or sell for the Intercolonial.

Q. Who is that?—A. That is the storekeeper.

Q. What is his name?—A. Taylor. We put the whole of that business through one person's hands, so that we shall know what we are doing. If we allowed every person to buy and sell, there would be no end of trouble.

*By Mr. Maclean (Lunenburg):*

Q. I suppose he acquaints himself from time to time with current prices?—  
A. That is part of his business.



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*By Mr. Ames:*

Q. In these accounts are there any goods which might be called obsolete?—  
A. There are two items there for a patent combined coupler that was being tried on the railway.

Q. 'Item 193, coupler Tretheway 94, \$4,700.' There were 94 of them in stock, and the lot was taken at \$4,700. You consider these, then, as obsolete?—A. I do not think they are very likely to be tried again; the C. P. R. tried the same thing and abandoned it; it has been a failure. It was intended to couple together automatically like the draw-bar, the steam and air pipes, when the passenger cars came together, but it did not work.

Q. You have another item here, No. 194, 'hoods for Tretheway coupler, 148, \$1,163.' That was also for this patented appliance, and the two accounts stand at \$5,868 in your books?—A. Yes, they do.

Q. Is there any market for these as scrap or old iron?—A. I am afraid they will not bring very much as scrap even; it is composed of bits of iron pipe and hose, &c.

Q. How long have you carried those at this value on your stock-book?—A. It was in 1904 we got them.

Q. Have you the power and authority to condemn that stock, and practically sell it for what it will bring?—A. Yes, we have always done that.

Q. You do not need parliamentary authority to write that off?—A. We do any writing off that is necessary; I was not aware those items were in there, really.

Q. Do you not think, in your stocktaking, you had better have those items struck off?—A. We certainly will.

Q. What about these car fittings, \$5,866?—A. They are all right.

Q. There are only the two items, you think?—A. As far as I know.

Q. Have you among these articles enumerated in this list any depreciated goods, or goods that are stale, and that are of less value than they are set down at here?—A. I would not think so; there may be some obsolete castings, a small quantity of them.

Q. What do you do in a case like that?—A. They are turned into scrap iron and sold.

Q. Is your stock purged pretty continuously along that line?—A. We do that every year or so.

Q. When did you do it last?—A. About three years ago, I think.

Q. Are you doing it at this stocktaking?—A. We will do it at this stocktaking.

Q. Item 323, 'Rubber hose, 6,535 feet, \$7,319.20.' Will that all be rubber hose in good service, perfectly useful?—A. Not in service, but in stock.

Q. But is it rubber hose of such recent purchase that it is of full value?—A. Yes, we use an immense quantity of rubber hose for steam, water, air, and on the locomotives; we are buying it every month.

The CHAIRMAN.—There could not be much dead stock in that.

*By Mr. Ames:*

Q. If it is properly taken care of, there ought to be very little of it dead. Now, in the matter of ties, have you any ties there at Moncton?—A. We have ties at different places.

Q. We will take that up at another time. Now with regard to oils, are all the oils that you have here of recent purchase, are they all perfectly available and fit to be given out?—A. No doubt about that.

Q. You are sure of that?—A. Yes.

Q. How do you sell your scrap material, Mr. Pottinger?—A. We send circulars by mail to all the scrap iron dealers and all rolling mills we can think of.

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Q. And invite them to come and view the lot *in situ*?—A. The circular tells them where it is, they can go and look at it if they wish, but it is all offered separately, wrought iron, cast-iron, &c.

Q. Do you hold these sales at stated intervals?—A. At no fixed intervals, but when we think prices are going up a little bit we send out circulars. We are just about asking for scrap iron tenders now.

Q. You have been fairly successful in selling your scrap iron as shown by that \$143,000 surplus?—A. Yes, we have done pretty well.

Q. Now, can you give me any information regarding the item of 'Stationery,' that is an item of \$7,332.03, under the head of 'Stationery,' what does that mean?—A. It means printed forms chiefly, pens, ink, paper, &c.

Q. All classes of printed matter, is it?—A. Yes.

Q. Are any of these printed forms obsolete?—A. Not now, I think. I do not think there are any of them obsolete now.

Q. When you change a form that has been printed, what do you do with those forms you have on hand?—A. Cut them up and use them in pads; we make scribbling pads for the office.

Q. You have no dead stock in this?—A. No, there is no dead stock in that.

Q. Have you with you any detail of that Roadway and Bridge item of \$1,028,062.43?—A. Yes they call it—

Q. You can tell us in a general way what that item is?—A. You will find ties included in that.

Q. This is an inventory of track stock, is it?—A. Yes.

Q. Tell us in a general way what it is, and where it is to be found?—A. It is scattered all along the line, at every place, and consists of rails, ties, and all the materials that go to make up the track. It consists of lumber for repairs to our buildings, etc.

Q. By whom is this inventory taken?—A. It is taken by men sent out from Moncton.

Q. It is not taken by the several agents at the stations, but by some one person?—A. No, it takes about 60 persons to take stock on the railway, because we want to take it simultaneously, as nearly as we can, for if you extend the stock-taking over a long period of time, it makes it very hard to adjust; since it is being used and is being moved from one place to another all the time.

Q. That is you send out a number of men simultaneously from Moncton, each assigned to a special district, and he takes stock at the several stations of all these classes of goods?—A. Yes, they go over the road with a handcar and take stock of the stuff between the stations, as well as at the stations.

Q. I see here: 'Pine ties, 156,671 lineal feet, \$21,934.08.' Were these ties all recently procured?—A. Yes, those are Southern pine ties.

Q. And I see a series of different classes of cedar?—A. That is native wood.

Q. Those ties were laid in small lots along the track, I suppose?—A. Yes, they are principally on certain sections of the line, where the ties are brought out by the public. On some parts of the line the timber is pretty well cut away, but on others, where there is lumbering going on, a great quantity of ties are brought out.

Q. Let me understand. You take your ties where the contractor has delivered a considerable quantity of them, and they lie beside the track. Supposing those ties are distributed by your sectionmen, a dozen here and a dozen there, with instructions to place them under the track within the next few weeks, are they still taken in stock?—A. Well, it is very hard to say about that. If the stock-takers happen to come along while the ties are being distributed, they will take stock of those ties, unless they have been put into the track.

Q. The business of the stock-taker, then, is to take every article that he finds?—A. Every article that he finds.

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Q. The stock-taker of the Intercolonial does that?—A. Yes.

Q. If he found that one of these ties has gone into the track, it would not be taken as stock?—A. It is issued to consumption then.

*By Mr. Maclean (Lunenburg):*

Q. I suppose your office records would show the number of ties you had, anyway?—A. Yes, there is a list kept of them for every section of the road.

Q. You know what you have in stock, you know what you buy, and reports are made to the office as to what ties are to be put into the track?—A. Yes.

*By Mr. Ames:*

Q. Mr. Pottinger, there is an item here: 'No. 1 ties, 578,584, \$196,718; No. 1 ties, 275,408, \$79,868.32; and No. 2 ties, 107,046, \$23,550,' etc. In all about nearly a million of ties?—A. Yes.

Q. A million feet of ties?—A. Not feet.

Q. Are they feet or ties?—A. To say feet is a mistake.

Q. They would be ties, would they?—A. Ties.

Q. Nearly a million of ties; is that not a very large number to have on hand?—A. No, it is about the consumption per year.

Q. About one year's consumption?—A. And you see the stock was taken at the time when the ties were—

Q. You got them out in winter?—A. Got them out in winter, and they have not all been used in the summer.

*By Mr. Maclean (Lunenburg):*

Q. How many ties are there in a mile of railway?—A. Three thousand.

Q. And then you space them less than 2 feet?

*By Mr. Ames:*

Q. 5,280 feet to a mile would be one a yard?—A. No, they are put 10 inches apart, just the width of the shovel.

*By Mr. Maclean (Lunenburg):*

Q. Twenty-six or twenty-seven hundred is the amount?—A. That used to be the amount, but now that we have such heavy rolling stock—

*By Mr. Ames:*

Q. And a smaller tie?—A. And the same size tie as before, you would have to put more of them.

*By Mr. Maclean (Lunenburg):*

Q. How many miles of railway—do you include sidings?—A. I don't know about sidings, but I think about 1,500 miles of railway.

*By Mr. Ames:*

Q. What is the life of a tie?—A. It depends upon the business done on the railway, and the class of wood in the tie. A hemlock tie would not last very long, about six years.

Q. No. 1 wood will last how long?—A. Is it No. 1 cedar, No. 1 tamarack or No. 1 hemlock? I suppose a cedar tie would last about ten years, if it was not cut into by the rail.

Q. According to Mr. Maclean's figures, you would need about 4,000,000 ties for the whole Intercolonial Railway, and you have got about a million on hand?—A. It is more than that, and then the hemlock ties last a very much shorter time.



Q. Were you intending during 1908-9 to make larger renewals of ties than in previous years?—A. No, I do not think so. Some of the ties that are on hand will be used on capital account for laying new sidings that we are putting in, and they will be used in the sidings of the railway as well. On maintenance of way we use 800,000 or 900,000 ties a year.

Q. The only thing is that a tie depreciates. Does it not depreciate pretty nearly as fast if piled on the road than if put under the track?—A. Not in one year. The best opinion is that it is better to have a hemlock tie exposed to the weather at least for a year to dry.

Q. Before it is put in?—A. Before it is put in. Then, these ties last longer than if they were put in while sap is fresh.

Q. Are there any considerable number of these ties that your man, when he went to the tie pile to pick out a hundred ties, would throw back, and which residue would always lie there?—A. No, we have not got anything like that now. A few years ago the inspection was perhaps not very good, but for several years past it has been.

Q. What have you done with the old ties that you had several years ago?—A. They are used up, having been put into sidings in different places.

Q. Would you consider any of these ties as being unfit, on account of the time they have stood, before they have been issued?—A. We have only bought enough ties to about do for the year, but the last few years we have been trying to purchase a few ties ahead; so that we can control the price better. If you denude yourself of ties altogether and go into the market to buy them, people have the advantage of you; they know that you must buy the ties.

Q. You might tell the Finance Minister that, that in the matter of money as well as ties, it is better to look ahead?—A. These are second-class ties. You see the contracts provide that we can take 10 per cent of second class ties. When a poor man makes them in the woods there are perhaps some that have some little flaw in them, making them second-class ties. It would be rather hard to throw a tie like that on his hands for that reason, when it is almost as good for our purpose as the No. 1 tie.

Q. It is good for a siding?—A. For a siding, although not up to the character specified.

Q. For such a tie you would pay the man a less price?—A. Pay him a less price.

Q. Now, take up the question of rails. Here is an item of 7,106 tons,  $4\frac{1}{2}$  x 20 feet and upwards, surface rails, \$177,670. Will you explain to us how you take stock of your rails? Are these rails all of such kinds as are used constantly in the work?—A. We are selling those  $4\frac{1}{2}$  rails to branch lines that are building, or they will be used by us in sidings.

Q. Are they rails that have been used once?—A. Yes, therefore, taken when we were laying down 80-lb. rails.

Q. These  $4\frac{1}{2}$  rails are all old rails?—A. Sixty-seven lbs. to the yard. Our railway was laid with them some years ago.

Q. You have several hundred thousand dollars' worth of these old rails, what would you call them, second-hand rails?—A. Second-hand rails, serviceable rails.

Q. Do you think that this quantity that you have of second-class rails will all be used up, or rather, rendered useful within a comparatively short time?—A. Well, as a matter of fact, we are short of that kind of rails just now, I do not know what we will do about it very well. We undertook to sell to the International Railway, that railway of Thomas Malcolm's from Campbellton running over to the United States. We undertook to give him about 7,000 tons, and we are likely to be short in that delivery.

Q. What price are you charging him?—A. \$25 per ton.

Q. And that will pretty well clean up what you have?—A. That will more than clean up what we have in that class.



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Q. Have you what you might call obsolete rails on hand?—A. Any rails of that kind would be scrap.

Q. Are you severe in your 'scrapping,' so to speak?—A. We make the most of them that we can. There is first the serviceable rails, that is the second-hand rails that are fit to be relaid, then the next grade will be scrap rails of 20 feet and over, in length.

Q. Fit for relaying by some other company?—A. No, they would not be fit for relaying. People do not want rails less than 20 feet long. Then there are rails that are less than 20 feet in length, and the ends that are cut off rails when they get battered down, and broken rails and things of that sort, those are included in scrap.

Q. What I am endeavouring to ascertain is, whether you are pretty rigid in your annual inspection in throwing out from your live stock the scrap rails; how often is that done? How often is condemnation made?—A. When they are taken out of the track they are sorted out by the roadmaster according to the quality that they are, whether he could use them again for sidings, or whether he couldn't use them. His tendency would be, if anything, to reduce to scrap rails that perhaps on stricter inspection you might class as serviceable.

Q. Throughout this list, I find items of bolts, spikes, nuts, plates, &c., all these are items in regular use, are they?—A. They are all in regular use.

Q. Have you any patented appliances here that are of little value?—A. No, not to my knowledge.

Q. Take these, 'New Burpee switch stands, 671, \$10,065,' is that something you are using?—A. Yes, it is a thing we are using all the time; I do not know why they gave it that new-fangled name at all; it is a necessity.

Q. 'Richmond Store, \$13,378.62,' is that stock taken upon the same form used in the Moncton stores stock?—A. Taken in the same way.

Q. And on the same printed form?—A. I think it is, and it is taken in the same way, not by the agent; the man who actually took that stock is here now, Mr. Seeley.

Q. And by the same method.

Mr. SEELEY.—By the same method.

Q. Are there any obsolete items here?

Mr. SEELEY.—There may be a few, and I have asked the storekeeper to send a statement of what he considers to be obsolete. I took everything he had.

Q. And the items which he considers obsolete will be dropped in the stock-taking that you are now finishing?

Mr. SEELEY.—Yes.

Q. Where are the items for Ste. Flavie and Chaudière Junction?

Mr. POTTINGER.—You will find it at the back of that stock list there.

Q. As I understand it, this item of \$82,659.44 for mechanical stores is not for Ste. Flavie and Chaudière Junction alone, but it is for the stores at Sydney, Pt. Tupper, Port Mulgrave, Stellarton, St. John, Gibson, Chatham, Newcastle, Campbellton, Rivière du Loup and Ste. Flavie and Chaudière Junction; at each of which places you have storehouses?

Mr. SEELEY.—Yes, that is under part control of the mechanical department; they have sub-storekeepers.

Mr. POTTINGER, recalled.

Mr. AMES.—Is there a special storekeeper at each one of those places charged specially with the receiving and issuing of these stocks?—A. Yes, at very small places a man in the roundhouse does it.

Q. And the same system is followed in counting them and in estimating the value of them that was followed at Richmond and Moncton?—A. Precisely.

Q. Are there any obsolete stocks in this, to your knowledge?—A. I do not think so, nothing perishable at all.

Q. Are there any obsolete stocks in these to your knowledge?—A. I do not think so, nothing depreciating in value at all.

Q. You have round coal in stock 50,061 tons, round coal in transit, 16,700½ tons, making 66,761½ tons at \$3.15, which gives \$210,297.93; 375 tons of hard coal at \$5.45, making \$2,043.75; 1,906½ cords of wood at \$2.25, making \$4,289.62, or a grand total of \$216,631.30. Then there is this note: 'I certify that the coal in transit was made up from the bills of coal shipped by the different coal companies to April 1st, 1908; but had not been received at destination when stock was taken, but was subsequently received and accounted for by the different receiving agents.' In taking inventory then of this statement showing the coal you had on hand on March 31, 1908, we have the amount that was actually stored in your bunkers and the amount that had been purchased, but was on the road?—A. That is it. Part of the coal is hauled by rail and part is delivered by water.

Q. Where do you buy your coal mostly?—A. From almost all the mines along the line.

Q. Is it of equal value for steam purposes?—A. No, I cannot say that it is, but we have always adopted the principle of putting all the coal mines on the same footing.

Q. Distributing your patronage so to speak?—A. They all send coal by rail and give us freight, and as there is but a trifling difference between the different mines in regard to quality, it would be an endless job to assess the difference in money value. All the mines are paid the same price on the mainland and a slightly reduced price in Cape Breton.

Q. Is the price computed taking into consideration the haul from the mine to the point where the coal is to be used?—A. We generally take the price at the junction with the railroad. We give the same price to all the mines at their junction point delivered in cars.

*By Mr. Maclean (Lunenburg):*

Q. The coal companies deliver the coal to your railway?—A. Yes. For instance the Cumberland Coal and Railway Company deliver the coal to us at Springhill Junction, 9 miles from their mine, loaded in cars there and our price is so much a ton at that point.

*By Mr. Ames:*

Q. I suppose the consumption on the road differs in different parts? You have stores of coal, I suppose, at different points already for your locomotives?—A. Yes.

Q. For example a larger amount of coal would be used at Moncton than would be used, let us say, at Port Mulgrave?—A. Certainly.

Q. In buying from the coal mines of that vicinity, do you regulate the quantity in accordance with the demand of the nearest point to where your coal is used?—A. As far as possible, we do.

Q. Then at Sydney—there are mines in the vicinity of Sydney—you would only buy what you can use at the Sydney point?—A. We buy what we can use at the Sydney point. We also buy the Sydney coal delivered by water at Point Lévis.

Q. As cheaply as you could buy and haul the coal yourself?—A. We think it is cheaper than to haul it hundreds of miles by car.

Q. I presume this soft coal depreciates if it is allowed to stand exposed to the weather for a considerable length of time?—A. No doubt.

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Q. The class of coal you have here, is it all fresh, new, bright coal?—A. Well, this coal stock would be getting very small towards the spring of the year. All the supplies that are hauled by rail are fresh coal. It is only on the western part of the line, commencing at Newcastle, Campbellton and Ste. Flavie, up towards Chaudière and Montreal, that we lay in any stock. Part of that stock is hauled by rail and part transported by water. We do not haul coal in winter, if we can avoid it; so that coal is used up in the spring.

Q. At this time, March 31, 1908, you had 67,000 tons of coal on hand. Is there any of that coal lying on your hands which you cannot use for steam purposes?—A. Nothing but what would be wasted in picking it up from the pile of coal on the ground.

Q. You have no coal that you have taken into stock that you cannot use?—A. No.

*By Mr. Maclean (Lunenburg):*

Q. How do you make up that inventory of coal, at cost price?—A. At cost price at the place where it is lying. That is a comparatively small quantity of coal to be on hand where our consumption is say between 4 and 5 hundred thousand tons.

Q. This is a time of the year when your coal supply is at the lowest?—A. Yes.

Q. The only point I want to ascertain is whether you have on hand, at any time, any coal which is unsuitable for your use?—A. No, I could not say that we have had any unsuitable coal. Coal is like oil, or anything else—there is a certain amount of waste in the handling of it and there will be some coal scattered over the ground where it is being piled, but we put the other coal on top of it and it is all used up together.

Q. You have no coal which you have purchased from any mines which is, unsuitable for your purposes?—A. None whatever.

Q. And none which you have kept so long that it has deteriorated so that it is no longer useful?—A. No.

Q. 'Superintendent 3rd Division, \$1,052.54,' what does that item mean?—A. There is a statement of that.

Q. Tell me what this item of \$1,052.54 means? (Document handed to Mr. Ames by Mr. Pottinger). Shall I read this?—A. I have no objection.

Q. (Reads):

'The balance as shown on the balance sheet of the Superintendent 3rd Division, as of March 31st, 1908, consists of invoice for cost of services performed by employees under the jurisdiction of the said Superintendent, chargeable to accounts under the supervision of other departments. These invoices were taken into account by the other departments and charged out through their material distribution to the proper expense accounts, in the following month.'

That is just a matter of book-keeping?—A. These are the charges that were made against the other departments.

## I. C. R., WINDSOR BRANCH STORES.

The CHAIRMAN.—Now then, the Windsor Branch, you maintain that road-bed, do you?

Mr. SHANNON.—Yes.

The CHAIRMAN.—You could make a statement and leave it with us. (See Exhibit VV.)

*By Mr. Ames:*

Q. In this statement of roadway material, the Windsor Branch, 31st March, 1908, the total amount being \$49,438.17, signed by T. C. Burpee per J. C. Stewart, consists



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of items of a similar class and character to those we have already examined in connection with the Prince Edward Island and Intercolonial Railways, does it?—A. It does.

Q. Taken in the same manner?—A. Taken in the same way.

Q. And inventoried as to prices in the same way?—A. In the same way.

Q. Is there any dead stock, so to speak?—A. No, there is none likely to be there any more than anywhere else. The Windsor Branch is a part of the railway which we maintain, and the Dominion Atlantic railway runs over it, 32 miles long.

Q. I do not know that there is anything here to inquire about, unless you like to look over it and tell me if you consider any of the items there obsolete?—A. I do not know of any.

Committee adjourned.

HOUSE OF COMMONS,

ROOM No. 32,

TUESDAY, April 27, 1909.

The Sub-Committee resumed at eleven o'clock a.m., the Chairman, Mr. F. F. Pardee, presiding.

Mr. W. C. LITTLE, called.

#### ALBERT RAILWAY COMPANY LOAN.

*By Mr. Ames:*

Q. We will take up the Albert Railway Loan Account, \$14,725.56. What is your name, and the position you occupy?—A. W. C. Little, accountant, Department of Railways and Canals.

Q. There is an item among the sundry investments, Mr. Little, 'Albert Railway Company, Loan, \$14,725.56,' and I see here, by the statement which was given to us by the Auditor General and the Finance Department, that this has stood practically unchanged since December 31, 1887. Will you explain to us what value the department really sets on this as an asset?—A. Well, all I know is, that that is an item in the old ledger. Of course, payments were made on the orders in council at the time, but as far as I know, I have never seen any of the correspondence about it; that item just remains in our books. The correspondence may disclose some evidence, but, as far as I know myself, I haven't anything.

Q. Have any attempts been made in the past twenty years to collect the money?—A. Not that I know of.

Q. Why have you not attempted to collect it?—A. Well, I do not know; of course, the secretary's files may show that, but I have only been accountant of the department for the past two and a half years, and this is an old item of twenty years ago. In looking up the books, when I saw the item standing there, I found that payments were made at the time; but there are no notes whatever in our ledgers, just the bare items, just the same amount as appears in the Public Accounts. As far as I know, I have nothing further than what appears in the Public Accounts.

Q. Since you have been in your present position, have you made any attempt to collect that money?—A. Not to my knowledge, no.

Q. Well, what is the understanding in the department, when you come to that account annually?—A. It has never been referred to me; I would only get it when payments are made; all these come in, and whatever the order in council sets forth, they are dealt with on that.



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Q. Yes, but that is a part of the account?—A. I have never seen it at all, it has never been referred to me.

Q. Who is there in your department that can give us any information about the account? We summoned you as a witness, thinking you were the man who could tell us.—A. I haven't anything to do with it whatever; of course, if the secretary of the department took his files connected with this matter, it might disclose something, but I know of nothing.

Q. You are evidently the wrong witness, then?—A. Well, I am for that purpose.

*By the Chairman:*

Q. You never looked into the correspondence on this?—A. Nothing except what comes before me.

*By Mr. Maclean:*

Q. Was this a first lien, do you know?—A. Well, in 1886 authority was granted by an Act of Parliament for the loan.

*By the Chairman:*

Q. You do not know what the nature of the security was?—A. It was given effect to by an order in council, and I think payments were made covering two years.

Q. Do you know the nature of the security the government holds?—A. There was a mortgage, I understand.

Q. You do not know that?—A. I understand so.

*By Mr. Maclean:*

Q. The property was evidently sold, and I should think that it would bring something.

Mr. CARVELL.—We are starting at the wrong end of this matter. I have a distinct recollection of the railway being sold by order of the Supreme Court of New Brunswick; in fact, I know there was special legislation passed in the legislature of New Brunswick giving, I think, the mortgagee the right to bid at this sale; I was in the legislature at the time. If the government had a first mortgage upon the road, the sale by the Supreme Court of New Brunswick could not affect that security?—A. It was a second mortgage, I understand.

*By the Chairman:*

Q. The government security was a second mortgage, you say?—A. I think so.

Mr. CARVELL.—We could have all that settled by getting back to the terms of the sale.

Mr. MACLEAN.—It must have been a second mortgage or the government would have had some accounting when the road was sold.

The CHAIRMAN.—Who sold it?

Mr. CARVELL.—I have some recollection of the legislation, it was sold, I think, by the mortgagee.

Mr. AMES.—‘Order in Council of 5th October, 1886, determined the security to be by mortgage in favour of the Crown repayable on or before 1st December, 1897, with interest at the rate of 6 per cent, payable every six months.’—A. I think it was a second mortgage.

Mr. T. C. BOVILLE.—This is a copy of the mortgage (producing document).

The CHAIRMAN.—Does that expressly state it to be a second mortgage?

Mr. BOVILLE.—Yes, it is subject to another mortgage.

Mr. MACLEAN.—Then you are wiped out?

Mr. BOVILLE.—I think so.

The CHAIRMAN.—(Reads from mortgage).

‘Subject, however, to a certain indenture of mortgage bearing date the 1st day of December in the year of our Lord, one thousand eight hundred and seventy-seven, and made between the said company of the first part and Major General James William Domyville, the Honourable Thomas Rosinol Jones and Zebedee Ring, trustees for the holders and owners of certain first mortgage bonds issued by the said company of the second part.’

It was evidently sold under the first mortgage.

Mr. AMES.—Inasmuch as our claim was only a second mortgage and inasmuch as the line was sold to satisfy the first mortgage on the 15th August, 1899, and inasmuch as we did not bid it in at all as the second mortgagee, our claim has entirely disappeared.

Mr. MACLEAN.—Except that we will have an action under the covenant against the railway company, if they are still left and have any assets.

Mr. CARVELL.—You will find that the railway company's assets have actually gone, and you will find legislation in 1899 in New Brunswick, giving the bondholders the right to bid at the sale itself, and I remember that a bondholder did bid at the sale and bought it in. While the company may have an existence as a corporate body, it has no assets.

The CHAIRMAN.—And it will only be liable to the extent of its assets. The committee finds that with regard to the Albert Railway Company loan there was a first mortgage upon this railway under which the same was sold, and apparently the assets of the company are all disposed of, and thereby the security held by the government entirely disappeared. We recommend that the item be struck out.’ The clerk of the committee will record that as our findings (see Proceedings of Sub-committee April 27, 1909)—do you think there is any chance of finding out anything more about it, it is a large item.

Mr. BOVILLE.—I think it will all appear in the statement.

The CHAIRMAN.—How long since any interest was paid on this account?

Mr. BOVILLE.—There practically never was any paid.

The CHAIRMAN.—It was charged up to December 31, 1887, and included in this amount of \$14,725.56, and I suppose there has been none paid since.

Mr. BOVILLE.—No.

Mr. AMES.—Now, let us take up that other item, ‘the Rails Loan Account.’

The CHAIRMAN.—Will the committee decide that the \$14,000 item be struck out?

Mr. CARVELL.—Wait a little while, I want to get some additional information. In the meantime, let us take up the next account.

#### RAILS LOAN ACCOUNT.

Mr. AMES.—That is the ‘Rails Loan Account,’ which amounts altogether to \$90,355.99, on page 14 of the Finance Department's statement.

*By the Chairman:*

Q. Who knows anything about that?—A. I only know of it as an item, but it does not appear in the books of our department at all. The Finance Department, on a reference from our department, took charge of that.

Mr. AMES.—Do you know anything about it, Mr. Boville?

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Mr. BOVILLE.—I understood that Mr. Butler was to be examined on this item.

A. Mr. Butler knows nothing about it.

Mr. BOVILLE.—Our information is contained in that memorandum.

The CHAIRMAN.—Is the Kent Northern Railway of New Brunswick still extant?

Mr. CARVELL.—It is, and is considered one of the best branches of the I.C.R.

The CHAIRMAN.—According to this statement they owe us \$58,334.27 for iron rails. Can that be collected?

A. There is no collection about the matter. As soon as they replenish these iron rails with new steel rails, weighing 56 pounds, the obligation is cancelled. Provision was made to that effect in the Act of parliament, and three of the roads complied with that requirement; they actually stocked their roads with new steel rails, and they got credit for the amount charged for these used iron rails. The roads, against which the charge stands here, have not re-stocked with new steel rails yet.

*By Mr. Maclean:*

Q. Have you followed this up to see?—A. I just happen to know of that from the orders in council.

*By Mr. Ames:*

Q. In other words, this will cease to be a debt as soon as they re-stock their roads?—A. Yes, as soon as they re-stock with steel rails.

Q. As soon as these companies comply with certain conditions?—A. Yes.

Q. There is not the slightest expectation on the part of these companies of paying this back in cash?—A. Oh, no.

Q. I cannot see how this can be taken as an asset. Do you consider, Mr. Boville, that it can?

Mr. BOVILLE.—If they do not replace these rails with steel rails, it would, I should think.

A. It might run on for years, they might say, 'We have not done it yet, but we will do it some time in the future.'

Mr. BOVILLE.—That may be, but until they do it, it is a liability.

The AUDITOR GENERAL.—In one case, that of the Kent Northern Railway, there is some correspondence in connection with the matter that will perhaps explain the whole situation.

Mr. AMES.—Will you, Mr. Fraser, act as a witness and give us a synopsis of that information?

The AUDITOR GENERAL.—There was an order in council passed on September 21, 1899, to the following effect:—

'Railways and Canals—

'On a memo dated September 16, 1899, from the Minister of Railways and Canals, representing that by the Railway Subsidy Act, 51 Vic., Chap. 3 (1888), the following grant was authorized:—

"To the Kent Northern Railway Company of New Brunswick, a grant as subsidy (the road to be first laid with new steel rails weighing not less than 56 pounds per lineal yard, and after an order in council has been passed authorizing their transfer to the Company) of 2,549 tons of used iron rails and fastenings loaned to the company, which rails and fastenings stand in the Public Accounts as an asset for \$58,334.27."

'The Minister further represents that application having been made on behalf of the company to the effect that they had purchased rails to replace the above loaned rails, but that there still remained three miles of the old iron rails, to replace

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which they desired to purchase used steel rails from the Intercolonial railway, the department has had an examination made by the chief engineer of the Intercolonial railway, and his report substantially bears out the said statement, showing that the road is now laid with steel rails, except for the three miles.

'The Minister under these circumstances recommends that on the purchase of these rails from the Intercolonial, and the relaying therewith of the three miles in question, the said Subsidy Act be held to have been complied with, and the whole quantity loaned to the company be transferred accordingly'

There is a certificate from E. B. Johnson, inspecting engineer, dated August 17, 1905:

'Having this day, as instructed, inspected the Kent Northern Railway from Kent Junction to Richibucto, I have to report that the line is laid with steel rails, weighing 56 pounds per yard, throughout its entire length of 27 miles.'

There is a certificate from the Department of Railways and Canals for a transfer entry of \$58,334.27, dated September 12, 1905, for 2,549 tons of iron rails loaned the Kent Northern Railway Company, to be granted as subsidy on line being relaid with steel rails, under the order in council, September 21, 1899.

On receiving the application, I wrote to the department, as follows:—

'Let me acknowledge receipt of your application No. 87 for a transfer entry, debiting "Railway Subsidies, 51 Vic., Cap. 3," and crediting "Rails Loan Account" with \$58,334.27, being for 2,549 tons of steel rails loaned to the Kent Northern railway, to be granted as subsidy on line being relaid with steel rails, as by order in council of September 21, 1899.

'The Kent Northern Railway item in the Subsidy Bill of 1888 (51 Vic., Cap. 3) reads as follows:—"To the Kent Northern Railway Company of New Brunswick, a grant as subsidy (the road to be first laid with new steel rails weighing not less than 56 pounds per lineal yard, and after an order in council has been passed authorizing their transfer to the company) of 2,549 tons of used iron rails and fastenings loaned to the company—which rails and fastenings stand in the Public Accounts as an asset for \$58,334.27."

'Section 2 of the same Act of 1888 contains the usual provision that the work must be completed within four years.'

That is one of the hitches

'and I do not find any authority for exceptional treatment in the present instance. Please inform me of your reasons for holding that this Subsidy Account is still open.

The order in council of September 21, 1899, proposed to accept used steel rails on the last three miles. (See Exhibit W.) I do not think that this would satisfy the wording of the 1888 Act, 'new steel rails.'

Were the other 24 miles laid with 'new steel rails,' or with 'used steel rails?'

Q. The matter has been in that shape ever since.

A. That application was never acted on.

*By Mr. Maclean:*

Q. The Kent Northern Railway Company have complied with the Subsidy Act with the exception of three miles.

Mr. AMES.—For 24 out of 27 miles.

The AUDITOR GENERAL.—Yes, but the Subsidy Act had lapsed.

The CHAIRMAN.—So that they do actually owe this.

The AUDITOR GENERAL.—And all the subsidy acts, with reference to these companies that were loaned iron rails, have lapsed.



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*By Mr. Maclean:*

Q. Are these iron rails of any value to-day?

The AUDITOR GENERAL.—I suppose they are worn out.

Q. Have they handed them back to you?

The AUDITOR GENERAL.—They will be scrap iron I suppose.

Q. Is there any reason that they should be carried as an asset to-day?

The AUDITOR GENERAL.—Except that there is no authority to strike it off.

Q. Barring that account there is no value in the asset?

The AUDITOR GENERAL.—To deal with them again you will have to renew these subsidy acts.

The CHAIRMAN.—I do not think we can strike that out.

Mr. AMES.—But you cannot keep it as a live asset, because, as I understand it, the Subsidy Act has been complied with.

The CHAIRMAN.—Well, but if the Subsidy Acts have lapsed they owe us.

Mr. AMES.—No, they are freed by the lapse of the Subsidy Acts the same as we are.

Mr. RHODES.—As I understand it, the railway companies had to comply with the provision in the Subsidy Acts within four years, they have not done so, and that being the case they are liable for the whole amount. The government's security is not the rails, it is against the company, for this amount, as I understand it.

Mr. MACLEAN.—Do you keep a ledger for doubtful accounts in the Finance Department. Accounts which for various reasons should not appear in the published assets, or would it be wise to have such a book?

The AUDITOR GENERAL.—There is no such book kept, the only record that I know of, except the records of the various departments, is the statement of arrears that we publish in our report. I have been considering that lately, and, Mr. Boville and I have been speaking of it from time to time. My idea was that all the departments should transfer annually to the Finance Department a record of their arrears.

Mr. MACLEAN.—And I suppose you will have a special ledger for it?

The AUDITOR GENERAL.—A special ledger for it, where it could not possibly be lost sight of.

Mr. MACLEAN.—Although not considered as an asset such accounts would still be kept alive.

The AUDITOR GENERAL.—Not to be considered as an asset, but to be kept alive, as a matter of record.

Mr. MACLEAN.—Yes, I think there should be such a book.

Mr. AMES.—I would suggest in connection with this item that inasmuch as they have complied—their road is 27 miles long—they have complied with the terms of the Subsidy Act in respect of 24 miles, that is in respect to eight-ninths of their road, but the amount still stands as against the whole nine-ninths of the road. I would suggest that we recommend that the obligation be reduced by eight-ninths of the amount, and as three miles of road still stands in a condition which does not comply with the Subsidy Act, we should therefore keep the proportion as between 3 and 27 of the value still on our books as a debit against them.

The AUDITOR GENERAL.—About those old rails, they were taken back by the Inter-colonial; they have been taken back in part payment for these 56 pound rails.

Mr. CARVELL.—That is these old iron rails were taken back?

The AUDITOR GENERAL.—Yes.

Mr. MACLEAN.—They got the steel rails from the I.C.R., did they?

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The AUDITOR GENERAL.—Yes, and if it was not that the Subsidy Act had lapsed, at that time, I would have passed that entry there, and it would have been charged to the Subsidy Account instead of computing it as an asset.

Mr. AMES.—You would recommend that this method of dealing with it be now adopted, asking Parliament to ratify the Order in Council?

The AUDITOR GENERAL.—That will give the authority and we would have the power that we have not at present after the Subsidy Act had lapsed. That was all that I required. You see there was no Subsidy Act in existence at that time, and I could not make the transfer.

Mr. AMES.—Would you recommend that this Committee ask Parliament to ratify the Order in Council?

The AUDITOR GENERAL.—Yes, that will do it.

Mr. AMES.—And it will enable you to debit Subsidy Account and credit the Rails Loan Account.

The AUDITOR GENERAL.—Yes.

Mr. AMES.—Would not that be the best way out of the difficulty.

Mr. RHODES.—All that this Committee could do, it seems to me, would be to ask Parliament what it intended to do; what remedy it intended to exercise against this company. In valuing this asset, as I understand it, we must say that the company is legally liable for the whole sum stated here, because the company has not complied with the terms of the Order in Council. They did not relay the rails within four years, and so far as we can see, the Government has a valid claim against the company for the whole sum.

Mr. MACLEAN.—It will never be enforced.

Mr. CARVELL.—It is competent for us to make a recommendation to the House. You can depend upon it, gentlemen, that these small branch lines will never be in a position to pay these debts. I rather like the suggestion of Mr. Ames in this matter, because regardless of the exact terms of the Subsidy Act, eight-ninths of the contract has been carried out in the spirit, and it seems to me that if we recommend that the one-ninth be left as an asset, it is a fair way of dealing with it.

Mr. MACLEAN.—Have you any information of a similar character respecting the other lines?

The CHAIRMAN.—Let us dispose of this matter first, we will take them one by one.

Mr. MACLEAN.—I thought if we could apply the same principle to the others it would be some reason for adopting it as a general principle.

The CHAIRMAN.—The 'Halifax Cotton Company siding, \$1,335,' what about that?

Mr. AMES.—That is now entirely owned by the Intercolonial, it is a debt against ourselves.

Mr. MACLEAN.—That should go out, then?

The CHAIRMAN.—Yes, strike it out.

Mr. AMES.—'Canada Steel Company, \$11,964.66,' has not that company failed?

The CHAIRMAN.—With reference to this Kent Northern item, let us see how that stands? The eight-ninths of that is to be transferred to Subsidy Account, and the other ninth shall remain.

Mr. BOVILLE.—That eight-ninths be wiped out, and one-ninth remain.

The AUDITOR GENERAL.—It says that one-ninth was replaced by steel rails; I think it was. I think they purchased the rails to replace that from the Intercolonial, and I think they still owe the Intercolonial Railway for the steel rails.

The CHAIRMAN.—They owe for them yet?

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The AUDITOR GENERAL.—I think so, but I am not sure.

Mr. AMES.—But that is a good live asset.

The AUDITOR GENERAL.—Yes, that is a live asset. If you are going to deal with the rails loan part, you might as well deal with the whole of it.

Mr. AMES.—Mr. Fraser seems to think we had better put the Order in Council through, take out the whole item, and ask that Parliament ratify the Order in Council.

The CHAIRMAN.—You may take the whole item and recommend that one-ninth of it still stand.

Mr. BOVILLE.—I think that the Railway Department ought to be able to furnish us with a complete statement of the status of each of these roads.

Mr. LITTLE.—These items for these rails do not appear in my books at all.

Mr. CARVELL.—If, as Mr. Fraser says, he believes the remaining three miles were relaid by steel rails purchased from the government and not paid for, that will be a debt which they might collect. If they owe that to the government it should be treated as a debt, and this item should be wiped out as an asset entirely.

Mr. AMES.—That debt is included in the open accounts of the Interecolonial that we have already dealt with.

Mr. CARVELL.—If the charge for the steel rails is included in the open accounts as a debt, then this should go out entirely.

The CHAIRMAN.—Yet, it is a double header.

Mr. AMES.—Mr. clerk, you had better take down in your minutes a memo, that Parliament be asked to ratify the memorandum dated the 16th September, '99, from the Minister of Railways and Canals, submitted to Council on 21st of September, '99, in respect of the Kent Northern Railway Company of New Brunswick item of \$58,334.27, thus transferring it to the debit of Subsidy Account, and crediting Rails Loan Account with this amount.

Now, who can give us evidence regarding the Halifax Cotton Company's siding? Why is that kept there, Mr. Fraser?

The AUDITOR GENERAL.—I think we had better get information regarding that item from Mr. Butler.

The CHAIRMAN.—We will just leave these five items until Mr. Butler comes.

The AUDITOR GENERAL.—When the authority was given to the Railway Department to loan these old rails they had to get something for their rails, and they got that something by debiting the Receiver General and crediting their stores. It is a bookkeeping entry but it had to be done, in order that they should get something for their rails.

Mr. AMES.—It prevented the Interecolonial deficit of that year from being bigger.

The AUDITOR GENERAL.—They practically sold their old rails for the price charged there.

Mr. AMES.—And took it in as live receipts.

The AUDITOR GENERAL.—Yes, and the railway had to be credited with it, and the Dominion has to treat this as an asset until it is disposed of by debiting it to the Railway Subsidy Account. The only question is, as to whether the road has ever complied with the provision of the Subsidy Act and relaid the road with steel rails.

Mr. AMES.—You had better get Mr. Butler to have the matter looked up and prepare all information.

Mr. LITTLE.—He will give instructions to the secretary to get the files.

## ALBERT RAILWAY COMPANY LOAN.

Mr. CARVELL.—I have turned up the statute I referred to in connection with the Albert Railway, and I find that there was an Act passed that when it becomes necessary to foreclose under a mortgage on a railway company that the mortgagee can bid it in for himself and others, and the owner applies under the Joint Stock Companies Act of New Brunswick for a charter and forms a new company. That is what took place in this case, a new company was formed under this special statute, and you can depend upon it that any security the government had, as a matter of fact, is absolutely gone.

Mr. AMES.—What about the Montreal Turnpike Trust?

## MONTREAL TURNPIKE TRUST.

Mr. BOVILLE.—I might say that Mr. Sénécal, of the Montreal Turnpike Trust is here and he would like to get through as soon as possible.

Mr. L. H. SENECAI, Secretary-Treasurer of the Montreal Turnpike Trust, called and examined.

*By the Chairman:*

Q. We want to know from you in what state this item of \$195,000 is, so far as the security to the government goes? Tell us shortly, how the Montreal Turnpike Trust stands.—A. This \$195,000 is debentures issued in 1895 and represented by about 58 miles of road. We have a part of these roads sold to the municipalities at \$4,000 per mile. We have about thirty miles sold, so that we can get the money by passing the law; the agreement is in writing to sell the roads to them, commuting at \$4,000 per mile, on which we receive interest at 6 per cent.

*By Mr. Carvell:*

Q. You are receiving that from the municipalities?—A. Yes, the Montreal Turnpike Trust is receiving yearly the interest on \$4,000 per mile of those roads—the roads are not sold, but they have commuted the toll.

Q. That is for about thirty miles of the road, but what about the balance?—A. I cannot tell you the exact number of miles, it is about thirty miles.

*By Mr. Ames:*

Q. How many miles are there altogether?—A. About 58½ miles.

Q. And thirty out of the 58½ miles have been sold?—A. Yes.

*By the Chairman:*

Q. On which you received 6 per cent?—A. Yes.

*By Mr. Carvell:*

Q. You are not paying that 6 per cent out to the government?—A. No, we are using it to make the roads.

*By the Chairman:*

Q. And how was the government secured?—A. The government is secured by the roads. I do not think the government will ever get a copper out of the interest except if the roads were sold. We have got about 58 miles of road and these, if sold at \$4,000, would realize \$232,000. We have got property to the value of about \$10,000



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to \$15,000 besides that, which will give about \$250,000. Well, if we owe \$195,000 and sell the roads, the balance left would be on account of the interest, I suppose.

*By Mr. Maclean (Lunenburg):*

Q. The government guaranteed these bonds?—A. They were guaranteed by provincial law.

*By Mr. Carvell:*

Q. By provincial law?—A. Yes.

*By Mr. Maclean (Lunenburg):*

Q. Was that before Confederation or since?—A. These ordinances date from 1860. We are acting under ordinances passed by the Legislature of the Province of Quebec in 1860.

Q. The Legislature of Lower Canada?—A. Lower Canada.

Mr. MACLEAN (Lunenburg).—Mr. Boville, do you understand this account?

Mr. BOVILLE.—In a general way.

Mr. MACLEAN (Lunenburg).—Will you give us your view of it?

Mr. BOVILLE.—We hold \$195,000 of debentures of the Montreal Turnpike Trust. They are debentures issued direct by the Trust and held by the government.

Mr. MACLEAN (Lunenburg).—When were they issued?

Mr. BOVILLE.—In 1895.

Mr. MACLEAN (Lunenburg).—Why did the government intervene?

Mr. BOVILLE.—There was a readjustment, the details of which I cannot give you offhand. The effect of the readjustment was that the Trust gave us 200,000 of 3½ per cent debentures.

Mr. MACLEAN (Lunenburg).—It was a refunding, was it?

Mr. BOVILLE.—Yes. At that time they repaid \$5,000 of debentures, leaving a balance of \$195,000 now due. This is an obligation which comes to us from Confederation and arising out of the adjustment of the provincial account.

Mr. AMES.—When are the bonds payable?

Mr. BOVILLE.—In 1915.

Mr. CARVELL.—It is a live asset, then?

Mr. AMES.—The question arises as to whether the bonds can be foreclosed for non-payment of interest.

The CHAIRMAN.—I suppose they are the usual form of bonds. Thirty miles of road have been already built. When the remaining 28 miles are completed, they ought to be of some value.

*By Mr. Ames:*

Q. If the Montreal Turnpike Trust have sold \$120,000 of their assets, should not the new purchaser assume the obligation of the government?—A. Well, my idea is that the legislature of Quebec will pass some kind of law at this session, and very likely, when these roads are sold, it will be on the same conditions as some that have been sold already around the City of Montreal.

Mr. CARVELL.—As I understand, the witness does not say the roads are sold.

The WITNESS.—We have right, according to law.

Mr. CARVELL.—The municipalities are administering the roads and paying at the rate of 6 per cent on \$120,000. They hope the legislature this session will ratify the agreement, and the roads will then become the property of the municipality.

*By Mr. Ames:*

Q. When you sell this road to a municipality, does the municipality assume the debt, or does the debt simply stand as against the road?—A. No, they assume the debts, and the road is always, according to the ordinance, a guarantee of the bonds. There are two securities for one, and they would be very glad to buy every one.

Mr. FRASER.—Mr. Sénécal can correct me if I am wrong, but the Turnpike Trust have not sold the road. They have commuted the tolls to the municipalities for a payment equivalent to 6 per cent interest on the mileage. Then, they have to maintain these roads, have they not.

The WITNESS.—Yes. The people who commute have to keep up the roads themselves and pay 6 per cent on \$4,000 a mile. As I said, there is a proviso in the deed stating that as soon as the trustees are forced to give the deed, then the municipalities would be obliged to pay the interest.

*By Mr. Maclean (Lunenburg):*

Q. Has the government security for the amount of the bonds which they hold?—A. They have got security.

Q. Is the security any good?—A. Surely, a road worth more than \$4,000 a mile is good security. To-day, around the City of Montreal, you could not buy these roads for three times as much.

Mr. MACLEAN (Lunenburg).—I do not see why the government would not want to get rid of an asset of this kind, and let the province or the municipalities deal with it. It seems an awful thing for this government to be handling a Turnpike Trust.

Mr. AMES.—Certainly, in 1915 the government should call in these bonds.

The CHAIRMAN.—If they do not do it in 1915, why not ask the Trust to pay up.

Mr. CARVILL.—However, at this stage we should not ask Parliament to write it off.

The CHAIRMAN.—No, this is a live asset.

*By Mr. Ames:*

Q. Why do you not pay your interest annually?—A. I have no opinion to offer on this matter. I am not a trustee.

*By the Chairman:*

Q. All the money you get for interest goes for improvements?—A. Goes to keep up the roads.

*By Mr. Ames:*

Q. Take the year 1908, the receipts were \$48,251, and the disbursements \$40,043, and there was a profit apparently of \$8,000. Now, that \$8,000 was enough to pay the 3½ per cent interest on our \$195,000. Why was it not used for that purpose?—A. I cannot give you any answer to that.

Q. Was that \$8,000 distributed amongst the shareholders of the Trust?—A. Secretly, not the whole amount. But there was a part distributed after the first of the year. The books are closed on December 31, you see, and there was an amount of \$8,000 after January 1, distributed amongst the trustees for the year back.

Q. What is the Trust, a joint stock company with shareholders?—A. Oh, no.

*By Mr. Maclean (Lunenburg):*

Q. It is merely a public trust?—A. It is a public trust.

Q. Who got these \$3,000 of profit?—A. Well, as I told you, it was distributed amongst trustees and there are five trustees.

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Q. By way of remuneration?—A. By way of bonus—I do not know what—they voted themselves that amount at the end of the year.

Q. In other words, the trustees voted the money to themselves instead of paying interest to the government?—A. In a way, yes.

Mr. MACLEAN.—Are these roads in the city of Montreal?

Mr. AMES.—On the island of Montreal, outside the city limits.

Mr. MACLEAN.—There is no reason in the world why they should be permitted to default in payment of interest, if the roads are on the island of Montreal.

Mr. AMES.—I do not see why they are not made to pay the interest.

Mr. MACLEAN.—I do not think they ought to go more than thirty days; the government should not allow them to go without paying this interest.

Mr. AMES.—Can you tell me what steps have been taken annually to force this company to pay the interest.

Mr. BOVILLE.—I think we have sent our statement of account and asked for the interest. Those are all the steps that have been taken so far to my knowledge.

*By Mr. Ames:*

Q. What recourse have we against them, in case they do not pay their interest?

Mr. BOVILLE.—The roads.

Mr. CARVELL.—I think we should make a recommendation to the House calling upon the proper parties to see that this interest is paid.

Mr. MACLEAN.—I think so, I do not think they should be permitted to default.

Mr. CARVELL.—It is not business at all the way this is being run.

Mr. MACLEAN.—If it was a poor railway, running through a poor section of country there might be some reason for it, but here is a case where somebody is going to make a clean steal practically, and they are getting ready for it.

Mr. AMES.—What obstacle or objection do you see in the way of making a demand on them for the payment of their interest?

Mr. BOVILLE.—None.

*By the Chairman:*

Q. With regard to the \$3,000 said to have been distributed, are the trustees allowed, or was there any provision in the Act whereby they should be allowed remuneration at all?—A. There is nothing of that kind mentioned.

Q. How many of them are there?—A. Five.

Q. And amongst the five they distributed \$3,000?—A. Yes.

Q. That is the first distribution that has been made amongst them?—A. No, that is the third time there has been a distribution, of \$3,000.

Q. Each year there has been a distribution of \$3,000, has there?—A. Three times, \$3,000.

Q. How long since the last distribution was made?—A. Each year at the same date, or about January. they had \$3,000; before it was \$2,500, and before that \$2,800, and the first year \$1,000.

Q. Do they take that by way of salary?—A. It seems to be a bonus allowed them for expenses they have to meet.

Q. It would mean about \$600 a year for each?

*By Mr. Ames:*

Q. Who are the five trustees?—A. Paul Galibert, William Sinamon, Remi Gohier, L. A. Boyer and Joseph Allan. Mr. Allan is only on it since February last, and does not know much about this.

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Q. Who appoints these trustees?—A. Three are appointed by the bondholders, or the federal government, and two by the province of Quebec.

Q. And no provision is made in the instrument of their appointment, for any salary or remuneration?—A. No, none at all.

*By the Chairman:*

Q. They give a good deal of their time, do they?—A. They get \$5, for each meeting besides.

Q. How often do they meet?—A. A couple of times a month, on Friday, about 24 or 25 times a year.

*By Mr. Maclean:*

Q. Do the passers by along the road pay toll to the municipality?

Mr. AMES.—Yes, they have little toll-gates and as you come off their property you have to pay 5 or 10 or 15 cents, that is how they get their revenue.

Q. What does that represent, accumulated profits?—A. Profit and loss, \$49,000?

Q. Yes?—A. I do not know anything at all about that.

Q. Will you look over that statement which has been prepared by the Finance Department up to December 31, 1908, (document handed to witness)?—A. I do not know anything about that, I am not the accountant, but the secretary knows of these accounts; I cannot make them out.

Q. Can you file with us a statement of your assets and liabilities? Is that a correct statement of your assets and liabilities as set out in the statement referred to?—A. Oh yes, sure; of course this statement sent yearly to the government is audited by our auditor. We have an accountant, and as to the profit and loss account I really cannot explain that.

*By Mr. Carvell:*

Q. What position do you occupy?—A. I am secretary-treasurer of the Turnpike Trust, but I am not supposed to know anything about the books except when the auditor comes.

*By Mr. Ames:*

Q. Who is your bookkeeper?—A. J. E. Roy.

Q. Can you not tell, Mr. Sénécal, what this \$49,100 stands for?—A. I do not know; I may send my answer when I get back to Montreal if you gentlemen give me an order to do so.

Q. Does that mean accumulated profits from year to year?—A. I do not know; this is the first time I have seen that account of profit and loss.

Q. Then look above there, and you will find receipts for the year ended December 31, 1908, were \$48,251.79, and the disbursements were \$40,043.18; that is a difference of \$8,200 of receipts more than disbursements. Now, you say that you divided \$3,000 among five members of the trust, that leaves \$5,200. What did you do with that \$5,200? Did you carry that forward in the profit and loss account?—A. Well, you see, in the winter time the revenue of the trust is not sufficient to cover the current expenses, and actually we owe to the bank about \$200 or \$300, as near as I can remember. In one word, the expenses are larger than the revenue, and we always keep, when we have it, a little amount so as to pay current expenses in the winter, and as I tell you, just now we have overdrawn at the bank by \$200 or \$300.

Q. You do not seem to understand me. If this statement is correct, you had a balance to the good of \$8,200 at the end of last year.



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*By Mr. Carvell:*

Q. Will you allow me a moment, Mr. Ames. According to your account here, you had \$2,411.45 in the bank as cash?—A. Yes.

Q. That is in the statement you are talking about. Mr. Ames is asking you to explain this: he says you received \$48,000 and some odd dollars, and you expended only a little over \$40,000; that left \$8,000 not accounted for. You say that you divided \$3,000 among the trustees. What he wants to know is what became of the other \$5,000?—A. I really cannot explain that; I am not the bookkeeper, as I have told you already. If the bookkeeper were here he could explain the matter.

*By Mr. Ames:*

Q. Then we had better have the bookkeeper here?—A. Well, there are only two questions that I knew I was required to answer, and, of course, I was prepared to answer those two questions referred to in my summons, with regard to the sums of \$195,000 and \$17,062.50. I did not know that the other questions would be put to me, or I would have had the necessary explanation.

Q. If you are not paying any interest, the committee want to know why, and that brings in the whole question of your earnings and disbursements.

*By Mr. Maclean (Lunenburg):*

Q. Do you have to work hard as secretary-treasurer of this Trust? Does it take all your time?—A. Not all my time, but a great part of my time.

Q. You do not handle any money except what the municipality hands over to you?—A. Well, we have every Saturday to collect the gate receipts you know, and make a deposit. Each Saturday we receive what has been collected in the course of the week from the collectors.

*By Mr. Carvell:*

Q. Do you go around yourself and collect the money or send an official?—A. Generally the assistant collector and not the collector goes and brings the money every Saturday morning.

*By Mr. Maclean (Lunenburg):*

Q. How are the collectors paid, on a commission basis?—A. No, they are paid a salary. The assistants are paid \$40 a month, \$10 a week.

*By Mr. Carvell:*

Q. How many have you?—A. We have got 18 collectors in all—13 collectors and 5 assistant collectors.

*By the Chairman:*

Q. At \$10 a week?—A. \$10 a week or about that.

*By Mr. Maclean (Lunenburg):*

Q. How many hours a week do they work?—A. The night collectors work from 7 o'clock at night until 6 o'clock next morning, and the day collectors from 6 o'clock in the morning until 7 in the night.

*By Mr. Carvell:*

Q. Those that go on every day in the week?—A. Every day in the year.

*By Mr. Maclean (Lunenburg):*

Q. Can you pay men \$10 a week and expect them to be honest?—A. I don't know that. When we see a gate that is not quite up to the standard, we place a special collector on.

Q. You set another man to watch that man?—A. No, we replace the collector of this gate for a week or so, and then we are sure of it.

*By Mr. Carvell:*

Q. How do you gather in the money?—A. As I said just now, the assistant collector goes each Saturday morning and brings the collections of the week.

Q. And you deposit that in the bank?—A. Yes.

*By Mr. Maclean (Lunenburg):*

Q. How many miles of road are there under this Trust?—A. Fifty-eight and a half miles or about.

Q. I cannot understand why you should not make money with \$48,000 receipts on 50 odd miles of road?—A. Well, the figures are there.

Mr. MACLEAN (Lunenburg).—They look very suspicious to me.

Mr. AMES.—I am going to ask that Mr. Sénécal be requested to prepare and forward to this committee for our next meeting two statements, one showing the receipts and the disbursements, and the other showing the assets and liabilities on the 31st December of each year since 1895, when this loan was made.

Mr. MACLEAN (Lunenburg).—I am sorry that I will not be here because I am going away to-morrow. I would bring up the whole Board of Trustees and examine them.

Mr. AMES.—Well, we will bring Mr. Galibert, the president.

The CHAIRMAN.—Surely the book-keeper is enough to bring.

Mr. AMES.—No, we want Mr. Galibert.

Mr. MACLEAN (Lunenburg).—This corporation did not pay any interest account, although its receipts were \$48,000 last year and I presume they had that much the year before. I do not see how they could spend it all on the roads. I think the trustees should be brought up here and made to account for this money. It would be well also to recommend that the government try and get rid of this either to the Province of Quebec or to the municipalities interested.

Mr. AMES.—I would like to have these three statements: The receipts and disbursements each year since the trust have defaulted in the payment of their interest in 1895; second, a statement of their assets and liabilities at the end of the year for each year since 1895; and third, the amount divided each year in bonuses among members of the trust. (See Exhibit X.) We will ask Mr. Galibert, the president of the trust, and the book-keeper to be present at the next meeting.

Mr. CARVELL.—Yes, we must have the book-keeper in order to ascertain what has been disbursed. For instance, there was \$40,000 of disbursements last year.

*By Mr. Maclean (Lunenburg):*

Q. You say the five trustees last year got how much, \$600 a piece?—A. Well, \$2,000 were voted to be—

Q. To be divided?—A. To the president, to be divided among the trustees.

Q. I understand that, and they got \$5 for every meeting.

Q. How often do you meet?—A. Well, about twenty to twenty-four times a year.

Q. What salary do you get?—A. \$2,400.

Q. Have you an assistant?—A. I have a book-keeper.

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Q. What do you want a book-keeper for, cannot you do the book-keeping yourself?—A. No, I am not a book-keeper.

Q. How much does this book-keeper get?—A. \$1,200.

Q. Is there a stenographer in the office, too?—A. There is an inspector, who gets \$1,640 a year.

Q. What does that man do?—A. Well, the inspector is supposed to be on the road, and report what is going on, and see that everything goes well.

Mr. MACLEAN (Lunenburg).—Why there should be this great gang of salaried people to operate 50 miles of road, I do not know. It should be done at a cost of about \$2,000 a year, at the most, for salaries.

Mr. AMES.—Mr. Boville, when you make your annual claim on this company for interest, what sort of reply do you get?

Mr. BOVILLE.—I think the usual form of reply is that the communication will be submitted to the Board for consideration.

Mr. MACLEAN (Lunenburg).—Is it a printed reply?

Mr. BOVILLE.—A written reply, usually.

Mr. MACLEAN (Lunenburg).—They have not got a pad?

Mr. BOVILLE.—They have not got that far yet.

Mr. AMES.—Then, since 1896 they have paid no interest.

Mr. BOVILLE.—No.

Witness discharged.

## HOUSE OF COMMONS,

Room No. 32,

TUESDAY, April 27, 1909.

The Sub-committee met at 4 o'clock p.m., Mr. Maclean (Lunenburg) presiding in the absence of the Chairman.

## RAILS LOAN ACCOUNT.

Mr. J. M. BUTLER, Deputy Minister of Railways and Canals, called and examined.

Mr. BUTLER.—In regard to the Kent Northern Railway, I have done my best to unravel the existing tangle. The situation appears to be something like this: In 1888 the House of Commons passed a resolution recommending the government to loan about 96 miles of old rails which were then being taken up on the Prince Edward Island and Intercolonial Railways to certain branch lines of railway, which were then expected to be feeders to the Intercolonial Railway.

*By Mr. Carvell:*

Q. Those were iron rails?—A. Yes, iron rails. After a time, these rails wore out and representations were made by the Kent Northern to the government that they were unable to secure new rails owing to the lien upon their road bed due to the loan. A Subsidy Act was accordingly passed, to which I will refer.

*By Mr. Ames:*

Q. That was 49 Victoria, Chap. 10?—A. No. 51 Victoria, Chap. 3 (1888) Under that Act the following grant was authorized:—

'To the Kent Northern Railway Company of New Brunswick, a grant as subsidy (the road to be first laid with new steel rails weighing not less than 56 lbs. per lineal yard, and after an Order in Council had been passed authorizing their transfer to the company) of 2,549 tons of used iron rails and fastenings loaned to the company—which rails and fastenings stand in the Public Accounts as an asset for \$58,334.20.'

In an effort to comply with that condition the Kent Northern accrued from the Intercolonial Railway 24 miles of 56 lbs. railway steel rails .

Q. Which they purchased, I suppose?—A. Which they were to purchase, but which they did not pay for except—and I am not quite clear on this point—that they return back to the Intercolonial foot for foot—

Q. The old rails?—A. The old rails.

*By Mr. Carvell:*

Q. That is iron rails?—A. Iron rails. Then some time later, I think only a few years ago, they secured from the Intercolonial another 3 miles to complete the 27 miles.

*By Mr. Ames:*

Q. Another 3 miles of new steel rails? A. Of new railway steel rails for which they paid nothing at all and which they still owe us.

*By Mr. Maclean (Lunenburg):*

Q. That is a new debt?—A. Yes, a new debt. There are certain other items in the account for car hire and—

*By Mr. Ames:*

Q. Well, the other items in the account you are dealing with in the regular way?—A. We should collect them in the regular way.

Q. We have been going over those with Mr. Shannon?—A. Let me give you the story as it has been recorded in the department. The file discloses that 4,533,760 lbs. of steel rails were issued to the Kent Northern Railway, by which rails the company replaced the old iron rails loaned to them. The company returned to the Intercolonial 4,192,000 lbs. of rails to be placed to their credit towards off-setting the cost of the steel rails sold to them by the Intercolonial Stores Department. The old rails returned amounted to 1,871.42 tons. The steel rails were sold to them at \$21.50 a ton.

*By Mr. Carvell:*

Q. Have you got the value of the iron rails returned at that time?—A. I am just coming to that. The old rails returned amounted to 1,871.42 tons at \$17 a ton, \$31,814.14. The new rails that were given to the Kent Northern, together with charges for car service and repairs, represent a value of \$49,533.91, so that the balance due to Intercolonial Stores account on this transaction would be \$17,719.77. These are the facts, as near as I can make them out from the departmental file.

Q. Then, there is no reason why we should wipe off the \$27,000 as an asset?—A. Except this Mr. Carvell: the company were not able to pay that. The fact of the items standing in the Public Accounts as an asset is due to the Auditor General refusing to acknowledge these relaying rails as new rails within the meaning of the Subsidy Act, notwithstanding the passage of an order in council to that effect. The question is largely one of book-keeping at present. If the Auditor General would accept these rails as new rails, we would simply close that account.

*By Mr. Ames:*

Q. That course was at one time recommended by order in council?—A. It was, but the Auditor General raised a legal point that the order in council could not over-



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ride the statute. The fact that the Governor in Council was willing to accept the re-laying rails as new steel rails, the spirit of the Subsidy Act having been complied with, did not satisfy him. Therefore, the account stands as an open one in that way.

Q. Would it not be a wise thing for us to recommend that parliament should sanction the order in council?—A. Yes, that would close the whole deal. Whatever loss is incurred I am afraid the Intercolonial will have to bear.

Q. You do not see any prospect of being able to collect any part of that \$58,000.

*By Mr. Carvell:*

Q. Is the Kent Northern not in a fairly good condition, I always supposed it was? —A. It is doing fairly well, Mr. Carvell, but they feel that they do not owe a cent.

Q. Everybody feels that when the government wants them to pay for something? —A. It is a very tangled-up affair. There is one calculation in this account which is rather absurd in its way. It purports to show that the government owes the Kent Northern \$2,900 on that railway transaction, and the manner in which it was made up is thus: They took the figures in the Public Accounts as 27 miles, amounting to so much. Then they computed twenty-four twenty-sevenths of that as the value of the rails returned—the old worn-out iron rails that would be twenty-four twenty-sevenths of the \$58,000—and they credited the Kent Northern with that sum, and actually debited them at the rate of \$21.60 a ton for the 56-pound rails. At that price, of course, we would be indebted to that railway.

*By Mr. Ames:*

Q. That would more than wipe out their obligation to you?—A. That more than represents the credit side of the account, and \$2,900 besides. I found that account on the file, but refused to carry it out in the manner in which it was calculated. The company actually owes us \$17,000.

Q. Is there any use in carrying that \$17,000 on the assets?—A. I do not think there is. I do not believe we could get it, except parliament votes a subsidy of that amount to that road.

Q. Yet ten years ago an order in council was passed——?—A. Yes, practically to close the thing.

Q. It would have been closed 10 years ago if the Auditor General had accepted the Order in Council?—A. Quite so. Of course, an exception must be made with respect to the \$5,000. They must pay that.

Q. That is a new matter?—A. We will make them pay that although they are relying to some extent on this old calculation that there was a credit to them of \$2,900 on the exchange of the old iron rails for the new steel ones. I can show you the original calculation as it appeared on the departmental file. The actual amount we want them to pay is \$5,682.98. We must collect that.

Q. That is for car hire?—A. Partly car hire and partly rails. The other amount they owe us is all for rails.

Q. Well, the recent account is not outlawed?—A. No.

*By Mr. Carvell:*

Q. That is for the 3 miles?—A. That is for rails and fastenings for the 3 miles. There is also a rather peculiar note on the file, and that is that there is a debit and credit charge. I think that appears in our stores account at Moncton. We first debit the Kent Northern Railway to 'stores department' for a difference in value on rails exchanged \$2,904.96, made up as I explained a moment ago.

*By Mr. Ames:*

Q. At the rate of \$21 a ton?—A. A little more than that, taking twenty-four twenty-sevenths of the average value of the iron rails and the actual value of the new steel rails.

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Q. Twenty-four twenty-sevenths of what value?—A. Of the amount in the Public Accounts on the one hand, and on the other the value of the new steel rails according to their actual weight, at \$21 per ton. It was arrived at in this way. They subtracted the difference in weight and charged it at \$17 per ton of 2,000 lbs.; then comes this entry, 'Stores Department by account with the Kent Northern,' it is simply a cross entry, 'for loss, exchange iron rails, \$2,902.24,' and it is marked 'on the authority of Mr. Schreiber's letter, 24th December, 1888,' so that apparently this difference has been written off in the Stores Account as long ago as 1888, you see. I think if you will just have the account closed and the amount written off that, the Auditor General will close the Rails Loan Account.

*By Mr. Ames:*

Q. That is, debit the Subsidy Account, and credit the Rails Loan Account?—A. Then in doing that, we would get out of the subsidies payment for the amount against it of \$5,000; that would not turn it all over to the Kent Northern, would it?

Q. Then we would add to that recommendation 'and that the Railway Department be instructed to proceed with the collection of this balance of——' how much is it?—A. \$5,682.98.

Q. That is over and above this \$58,070 altogether. Now, with regard to the Halifax Cotton Company siding?—A. I think that should be written off; it is absorbed in the Intercolonial Railway.

Q. So that we have no one to claim against?—A. No one to claim against.

Q. So that you would recommend that that item be struck out?—A. It is absorbed in the Intercolonial Railway.

Q. Now the next one, 'Albert Railway Company, \$14,665.45,' that is their Rail Loan account. We had their overdue interest account and decided to strike that off.—A. I do not know anything about that, I have not been able to find anything about it at all in the file.

Q. Do you know anything about the railway itself?—A. No, I know less about it. I have not been able to find trace of the matter in the files at all. It seems to have been dealt with in a general order. It is a loan to them, I think you might let that stand.

Mr. CARVELL.—Yes, but this company has been sold and all we had was a second mortgage.

Mr. AMES.—Strike off 'Albert Railway Company, Rail Loan account, \$14,665.45.

Mr. CARVELL.—I have the statutes here under which the old company was cleaned out, and according to the laws of New Brunswick, a new organization came into effect automatically under the Joint Stock Companies' Act.

*By Mr. Ames:*

Q. The next company is 'Canada Steel Company, \$11,964.66.'—A. I have not been able to find anything about that.

Q. Is that company in existence to-day?—A. I do not know, do you know anything about it, Mr. Carvell?

Mr. CARVELL.—I do not.

A. Mr. Pottinger ought to be able to give some information on that from memory. He has been looking through his files but could not find anything about this matter there. There is nothing on the files in the department about it. It is an older concern than any of the works in Nova Scotia that are running.

*By the Chairman:*

Q. It is evidently dead anyway?—A. Yes.

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*By Mr. Ames:*

Q. In all probability the government built a siding to their works and charged them with it. It may have been at Ferrona?—A. Yes, I think perhaps that is the company, and I think it has gone out of existence.

Q. Then that is disposed of. Now, 'Low, Reid & Co., \$1,056.61.'—A. That is a contract, I think that can be written off, surely.

Q. That firm also have disappeared, have they?—A. Yes. I think it was on a contract they had been working on about the Grand Narrows bridge, and the item is in connection with a loan of some rails which were probably laid down along the track and were not found and returned so that the contractors could get credit for them.

Q. And this same item has been on the books for twenty years?—A. Yes.

Q. And we have never collected anything on it from them?—A. No.

Q. That had better go off too.

Witness retired.

Committee adjourned.

HOUSE OF COMMONS,

Room No. 49,

THURSDAY, April 29, 1909.

The Sub-committee met at 11 o'clock a.m., the Chairman, Mr. Pardee, presiding.

KING'S PRINTER, STATIONERY.

Mr. AMES.—The item we have met to consider is \$201,568.09.

The CHAIRMAN.—The King's Printer, Mr. Parmelee, is here.

Mr. PARMALEE.—I would suggest that Mr. F. Gouldthrite, the Superintendent of Stationery, should be examined. He can give you fuller information.

Mr. AMES.—Perhaps we had better first ask Mr. Fraser or Mr. Boville to state the system that is followed in reference to advances made to the King's Printer. Mr. Boville, will you tell us the manner in which these advances are made from time to time to the King's Printer and the authority for doing so?

Mr. BOVILLE.—This is the King's Printer's advance account.

Mr. AMES.—Right.

Mr. BOVILLE.—These advances, I think, are made under statute. I could not say off-hand, but I think there is a special statute which authorizes advances to be made to the King's Printer for purchases to carry on his business to the extent of \$201,000.

Mr. AMES.—Does the amount rise and fall during the year?

Mr. BOVILLE.—It varies, of course, from month to month.

Mr. AMES.—It is practically the capital on which he does his business.

Mr. BOVILLE.—It is the capital on which he does his business. The principle is the same as in the case of the Intercolonial stores. The King's Printer makes his purchases out of the money placed at his disposal and then fills the orders of the departments for stationery and charges them with the amount. The Auditor General would have a better idea of the procedure, I think.

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Mr. AMES.—Mr. Fraser, tell us what is the system followed, and what check is maintained.

The AUDITOR GENERAL.—The practice formerly prevailed of purchasing stock without any authority in the way of appropriations.

Mr. BOVILLE.—It was just a credit.

The AUDITOR GENERAL.—A credit and a few years ago it was considered advisable to put the King's Printer on the same footing as the Intercolonial stores branch and fix the amount up to which they could purchase. This forms the working capital of the Bureau. The various departments send in their requisitions from time to time for stationery, or for printing, and at the end of each month a bill is rendered to the department for the work performed for it or the stationery supplied. The department certifies to the account, and the King's Printer is repaid from the departmental appropriation. That goes to the credit of the account; it is a continual turnover.

Mr. AMES.—What is the position of the government towards the Printing Bureau; that of a lender?

Mr. BOVILLE.—That of lending to themselves.

The AUDITOR GENERAL.—Yes, lending to themselves.

Mr. AMES.—I am trying to ascertain how this amount comes in as an asset.

The AUDITOR GENERAL.—It is just the same as in the case of the stores department of the Intercolonial.

Mr. PARMELEE.—The stationery is there, and it is live stock.

Mr. BOVILLE.—It is not cash, but it represents cash.

Mr. AMES.—Wherein does it differ from the Militia Stores for example?

The AUDITOR GENERAL.—The Militia Stores unless they are considered as spent, should be on the same footing. The stock that they are carrying ought to be treated as an asset, if it is valuable, and I presume that clothing, if it is not going to be used for years—if it is in stock, reserve stores—ought to be considered as capital. But they have never established that practice; they have paid it out of each year's expenditure.

Mr. AMES.—This, then, is more or less arbitrary, based upon precedents and convenience?

The AUDITOR GENERAL.—Are you speaking of the Militia?

Mr. AMES.—No, the King's Printer.

The AUDITOR GENERAL.—The practice grew up. When the King's Printer furnished stock, he could not tell what appropriation to charge until the requisition came from the department. It might be for the Department of Finance's appropriation, or that of the Department of Public Works, or any of the various departmental appropriations. The King's Printer can only spend the amount each year—the amount that parliament appropriates to the several departments for printing and stationery.

Mr. AMES.—Suppose the King's Printer should go out of business. Suppose the government should decide to close up the establishment, would the King's Printer then be expected to dispose of his stock on hand and reimburse this \$201,000 to the treasury?

The AUDITOR GENERAL.—Theoretically, that would be the course pursued.

Mr. AMES.—Well, then, the question figures down as to whether the King's Printer has really got two hundred and odd thousand dollars' worth of available stationery at the Bureau as an asset.

The AUDITOR GENERAL.—The question is, is it a good asset.

Mr. AMES.—Now, who can tell us about that?



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Mr. PARMELEE.—Mr. Gouldthrite. Permit me to say that although we have the right to draw to the extent of \$200,000 on advance account, we seldom go above \$100,000. It sometimes happens, when the suspense account is very large, we have to draw more than that amount, but ordinarily it is \$100,000.

Mr. AMES.—During the session of parliament, I suppose, the amount is likely to be increased.

Mr. PARMELEE.—It depends upon circumstances. Sometimes it might be during the session, and sometimes between sessions.

Mr. AMES.—I mean that there are so many reports during the session?

Mr. PARMELEE.—It depends upon how much work is in progress, and how many accounts are in suspense. For ordinary purposes about \$100,000 suffices.

*By the Chairman:*

Q. Are all your employees paid out of this fund?

Mr. PARMELEE.—Everything except the inside service. All the mechanical departments are paid out of it.

Mr. GOULDTHRIFE, called and examined.

*By Mr. Ames:*

Q. The sum of \$201,000 we are now considering does not represent machinery, linotypes, or anything of that kind at all?—A. Simply staple stationery which is used by the departments every day.

Q. Printed or unprinted?—A. It does not include anything printed in form. That work is done through the Printing Branch and charged up in a similar way. The stationery stock is purely and simply staple goods that would be found in any stationery store and be used on anybody's desk.

Q. Is it composed of paper such as you issue to the Printing Bureau for the printing of the annual reports?—A. Yes, sir.

Q. And the classes of stationery that are used in the House of Commons?—A. Yes, sir.

Q. And by the various departments?—A. Yes, sir.

Q. And does it include pens and ink and stationery in books, all that sort of thing?—A. Everything.

Q. Perhaps you might just give us from memory a general idea of the classes of goods that go into that stationery account?—A. We carry all the flat papers that are used in the manufacture of books, for example, stock books or books with a printed heading which are turned out by the Bureau. These flat papers are carried in all recognized sizes from imperial to octavo. These form part of the books. Then we have a large number of grades of paper which we carry in rolls and in flat for use in connection with the blue books, such as the reports of the different departments. Then we carry all sizes of envelopes for use in the government service, both for the Bureau when they are to be printed and for the departments when they are to be used plain. Then we have stored in the same stores, the contents of which run alphabetically, articles such as attendance books, desk weights, chalk, crayons, elastic bands, pens, pencils, &c. We have a regular stock list.

Q. Have you a copy of that printed stock list?—A. I can send it to you as soon as I return to the office. These things are kept in stock under the authority of an order in council. We are not allowed to vary from this particular list except for some special purpose. If a minister wants a box of pens that we do not carry in stock, we are only too pleased to get it for him. But the ordinary civil servant is confined to that particular list.

Q. Does the stationery that is distributed to members come under your list?—A. Yes. We buy all the stationery supplied to members and senators; but it is supplied in bulk, sent to the stationery offices of the Senate and House of Commons, and distributed from there by their officers.

Q. In connection with your flat papers, for example, have you any that are obsolete, that are of sizes you cannot use?—A. We are very careful in purchasing to keep as close as we possibly can to staple goods that are used every day. Occasionally, we might get paper which has deteriorated, and that we use in scratch pads for scribbling upon. We cut that paper up and make it into pads and get rid of it in that way.

Q. How often do you overhaul your stock and get rid of obsolete materials?—A. Once a year when the Auditor General comes down to take stock. Then we are able to get at the stuff which is likely to become useless and dispose of it as best we can. I might say, in this connection, that in my experience of thirty years in the stationery office, we have very little stock of that kind, except possibly a bottle of ink which would get broken or an inkstand which would lose its top—something of that kind. Then we would try to replace that inkstand by securing another top, thus putting the inkstand up again and making it suitable for use.

Q. But in the matter of paper, what I am especially anxious to know is, whether a pretty thorough purging is made once a year at least?—A. Yes.

Q. Whether you find on your shelves any paper which has been there the year before, or the year before that again?—A. The Auditor General is very careful to call our attention to anything of that kind. His officers come down there and take stock with us.

*By the Chairman:*

Q. You take stock regularly?—A. Yes, each year.

*By Mr. Ames:*

Q. In case you order a special line of paper from the manufacturer to make up the books, or if there is some special order from one of the departments, and you have a balance left over, what do you do with that balance?—A. Well, if it is a special line of paper and a department calls for a certain number of forms—it is customary for the mill to make the supply a little over rather than a little under—we ask that department if it will kindly increase its order in order to use up the full quantity of paper on hand, and our wishes are carried out in that respect. The departments are very obliging in meeting us in that way and we always use up the full quantity of any special line of paper.

Q. In that respect you have the advantage over a private concern?—A. Yes.

Q. Which would have to fill the order exactly as taken?—A. Exactly.

Q. Going through your stock, in flat papers for example, have you any idea how much there is on your shelves that would be obsolete?—A. At the stock taking which took place at the end of last March, I found nothing but a package of gum paper which had curled. Possibly, having been kept too long, the gum had dried and curled the paper. The value did not amount to more than \$3 or \$4, and we have sufficient profit from our transactions with the departments to cover the loss. We charge the departments a little over and above the cost of our articles to meet the expense of freight, insurance, customs brokerage and all this sort of thing.

Q. And to meet depreciation?—A. We keep a little over and we have sufficient to cover any items of that kind.

*By the Chairman:*

Q. Do you keep an account with each department?—A. Yes, sir.

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Q. Just as regularly as any wholesaler would do?—A. We charge up every item the departments ask for, render an account monthly, and are paid by cheque from the appropriations of the different departments.

*By Mr. Ames:*

Q. Have you any open accounts with any department?—No, sir.

Q. The departments all pay you promptly?—A. Yes, sir, when they have an appropriation. Sometimes they run a little short and then probably pay the account out of the appropriation for the following year.

Q. You have not on your books charges of long standing against other departments which are a matter of dispute?—A. Nothing except that some of the members neglect to pay for their speeches.

Q. What I was endeavouring to ascertain was, whether your position was similar to that of the Intercolonial Railway which has some disputed accounts with other departments and we find it necessary to submit them to the Law Department?—A. No, we have nothing of that kind; we always manage to satisfy the departments. If there is a slight dispute, such as in shipping goods to the Intercolonial Railway, and they say they ordered a gross of goods and only received half a gross, we look into it very closely. In fact, we sometimes have to balance our stock in that particular line to see whether their statement is correct or not, but we usually come out satisfactorily. If we find we are in the wrong—mistakes will be made—and that we have only sent them half a gross, we make it up.

Q. Are those matters finally settled before the close of each fiscal year?—A. Yes, always, and invariably within a month, if possible.

Q. There is nothing in this sum of \$201,000 which represents open accounts against any department?—A. Nothing. That is purely and simply staple stationery.

Q. It was suggested to me that I should ask you respecting the kind of paper that is used in printing the blue books and official government records?—A. We use what is called chemical paper, which is prepared by a sulphite or soda process of cooking, thus eliminating all material that would have a tendency to cause the paper to deteriorate. This process eliminates all resinous matter and converts it into what is called in technical terms cellulose, which makes it a permanent paper. You may possibly have noticed the odour which comes from Eddy's mill occasionally when the wind is blowing this way. That smell comes from the sulphur used in boiling this material, which is wood splintered instead of ground, so as to have the proper length of fibre. That is cooked in this sulphite. After cooking for a certain length of time, the material is ready to be run through the machine and made into paper. That paper is of a permanent character.

Q. That is the kind of paper you use in the blue books entirely?—A. Yes. There is a report prepared by Dr. Dawson, the former King's Printer—and, by the way, I might send you a copy of that report together with a copy of the stock list—on 'paper and ink,' which gives a very good description of how papers are liable to deteriorate and ink to disappear.

Q. And you are quite satisfied the blue books of the government are being printed on paper that will stand all time?—A. We give them a chemical test by means of acid, a German test. There are two kinds of acids we use. If this acid is put on paper made from mechanically ground wood—the ordinary wood ground up—it will turn it yellow or pink; just one drop of that acid on a newspaper will turn it yellow or pink. The other paper made by the sulphite or soda process will not be affected in the slightest any more than a sheet of paper made from rag. This is the only test of the kind known, and was discovered by a German chemist.

MR. PARMELEE.—It is so accurate, Mr. Ames, that one per cent of ground wood pulp may be detected.



8-9 EDWARD VII., A. 1909

The WITNESS.—I had occasion to reject a carload of paper sent by the manufacturers who had the contract for supplying paper for the blue books, because it showed from these two tests the presence of ground wood. They stated in their letter, after I had notified them of the fact, that there could not possibly be ground wood in the paper. I replied saying that the test was infallible, and that there was ground wood in the paper. After looking into the matter more closely they discovered that the vat man—the paper is all put into large vats, or rather this pulp or porridge state—had neglected to clean out this particular vat, and had left possibly half an inch in the bottom.

Q. And that offset the whole boiling?—A. The whole boiling.

Q. Just one more question. With reference to your small stores there are some which depreciate, elastic bands, for instance?—A. We buy them in small quantities as we use them inside of a month or two, at the outside, so that we are constantly buying these goods. We have a two years' guarantee from Messrs. Parmer Stearns and Sutton, of New York, who are the best manufacturers of bands in America. If any of these bands deteriorate we send them back.

Q. So you had nothing in your last stock-taking of that character?—A. No, sir.

Q. And as I understand, none of your material is printed material?—A. Nothing, we keep no printed forms in stock at all. The type is kept standing in the Printing Bureau so as to supply, if necessary, a large number of orders.

Q. Your attitude towards the Printing Branch is that of a separate department is it?—A. Yes, sir.

Q. You deal with the Printing Branch just exactly as a customer?—A. Exactly, and charge them up with every sheet of paper they get.

Witness discharged.

#### ALBERT RAILWAY COMPANY LOAN.

Mr. T. C. BOVILLE, Deputy Minister of Finance, recalled and examined.

Mr. BOVILLE.—The other day, I was asked my opinion as to the Albert Railway, and I gave it offhand. Since then I have had time to go into the matter and with your permission I will give a brief history of the transaction. Chapter 10 of the Statutes of 1886 authorized the granting of a subsidy to an amount not exceeding \$15,000, amongst others, to the Albert Railway Company for a railway from Salisbury to Hopewell in the province of New Brunswick, which is a feeder to the Intercolonial Railway, in the form of a loan repayable at such time and secured in such manner as the Governor in Council determined. That is the beginning of the transaction. The loan was made and the nature of the security required by the Governor in Council was a mortgage dated the nineteenth day of October, one thousand eight hundred and eighty-six. This mortgage gave the government the power to enter upon and take over the railway, subject, however, to a certain indenture of mortgage dated the first day of December, one thousand eight hundred and seventy-seven, and made between the Albert Railway Company and Major General James William Domville, the Hon. Thomas Rosinell Jones, and Zebedee Ring, trustees for the holders and owners of certain first mortgage bonds issued by the company. In other words the security of the government was a second mortgage on the railway.

Mr. AMES.—Yes.

Mr. BOVILLE.—In 1894, the Department of Finance evidently were looking into the matter and an account of the accrued interest was forwarded to the company.

*By Mr. Ames:*

Q. The interest had not been paid?—A. The interest had not been paid. In 1894, the account was returned. That set the department going, and they asked the



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Chief Engineer of Railways and Canals about it. He said he thought the Justice Department would advise that the sale of the road and new legislation had made the collection of both the principal and the interest impossible. On the receipt of that, the department communicated with the Department of Justice as to the situation of our security. The latter, alluding to the foreclosure of the first mortgage, said that the Supreme Court of New Brunswick had made a decree of foreclosure and sale, under which the railway and franchises of the company were sold on November 15, 1888, but that the attitude of the Crown on that occasion was not clear. There is apparently no record of the attitude of the Crown, that is, as to whether they consented to the decree of foreclosure or suffered it to go by default. The Department of Justice suggested that a preliminary inquiry should be made as to whether or not, if the Crown had the right of redeeming any encumbrance prior to its own, it would be worth while to enforce it. Evidently the Department of Finance communicated with the Railway Department, and in the reply which was sent it is stated 'That it is not considered by the Chief Engineer of Railways and Canals to be of sufficient value to justify the expenditure in the direction indicated.'

*By the Chairman:*

Q. In the direction of redemption?—A. Yes.

Mr. AMES.—Paying off prior claims.

The WITNESS.—As to the attitude of the Department of Railways and Canals at the time of foreclosure, it apparently received notice from the Sheriff of Albert county that the proceedings were under way and it does not appear that the Department of Railways did anything other than ask the Department of Justice to take any steps that might be necessary in the matter.

Q. Apparently they did not consider it worth while?—A. Did not consider it worth while.

Q. Paying off the prior claim in order to obtain the road?—A. The Department of Finance further communicated with the Department of Justice on this subject, conveying this information from the Railway Department, and this is what the department says in a communication dated December 20, 1895: 'But if the railway is not of sufficient value to justify expenditure in enforcing the possible rights of the Crown under its mortgage, that fact would seem to show that the Crown has practically no security for its loan.' Therefore, that disposes of the question.

*By the Chairman:*

Q. Wipes it off?—A. Wipes it off. These are the circumstances as briefly as I can put them.

Mr. AMES.—They are very well put.

*By the Chairman:*

Q. When was that advance first made to the Albert Railway?—A. In 1887, I think.

Witness retired.

Committee adjourned

## HOUSE OF COMMONS,

Room No. 62.

FRIDAY, April 30, 1909.

The Sub-committee met at 10.30 this day, Mr. Pardee, chairman, presiding.

## BANK OF UPPER CANADA, BANK STOCK.

Mr. T. C. BOVILLE, called and examined:

Mr. BOVILLE.—There is a small item in connection with the Consolidated Fund Investment account, \$750, Bank of Upper Canada bank stock. You disposed of the Upper Canada Bank account and at the same time, you might as well dispose of that \$750. If the Bank of Upper Canada account is of no value, you might as well dispose of that \$750.

*By Mr. Ames:*

Q. On what page?—A. Page 4. I think that as you have disposed of the Bank of Upper Canada account, that the Bank of Upper Canada bank stock would be absolutely valueless and should be disposed of in the same way.

The CHAIRMAN.—No good?

Mr. AMES.—That will be struck off.

## MONTREAL TURNPIKE TRUST.

Mr. BOVILLE.—With reference to the Montreal Turnpike Trust, if you so wish, I could give you a brief statement of how the matter comes into our possession. The Turnpike Trust is a very old corporation. It was incorporated I think in 1849 with power to issue debentures and so on. At Confederation the government held \$67,200 of these debentures and \$120,000 were in the hands of the public. In 1889, the holders of the \$120,000 demanded payment and the Dominion paid them off and charged the Quebec account with the principal and interest both in respect of the \$120,000 and the \$67,200. The province of Quebec sought to be relieved from these charges.

*By Mr. Ames:*

Q. The province of Quebec?—A. Yes, in the province account. At that time, the province accounts were not absolutely settled. They were under arbitration.

Q. The Dominion government assumed it and paid off the private holders?—A. Yes.

Mr. BOVILLE.—At that time, the province of Canada and the Quebec and Ontario accounts were not finally arbitrated upon, and we charged to the province of Quebec. Quebec sought to be relieved from these charges before the board of arbitrators appointed for the settlement of all matters of accounting between the Dominion and the provinces, and by an award of the arbitrators on 31st August, 1894, Quebec was relieved. In 1895, the debt stood as follows: Principal, \$187,200; interest, about \$220,000; making a total obligation of \$407,200. Under the provisions of chapter 4 of the statutes of 1896, the Minister of Finance and Receiver General is authorized to make arrangements with the trustees of the Montreal Turnpike Trust for the redemption and cancellation of the debentures of the trust now held by the govern-

## APPENDIX No. 1

ment of Canada, and for replacing them with debentures issued under the Act 59 Victoria, chapter 65 of the legislature of the province of Quebec. In short we allowed them to compound for this obligation for \$200,000 of debentures of the trustees of the Montreal Turnpike Trust, bearing  $3\frac{1}{2}$  per cent interest, and due July 1 1915.

*By the Chairman:*

Q. That is the status?—A. That is the status.

*By Mr. Ames:*

Q. Is there any evidence or anything to show that when that was written up, it was intended or expected and admitted by all concerned that there would be an endeavour made to pay the interest?—A. Nothing, except what is expressed on the face of the statutes.

Q. The bonds are in the regular form?—A. Yes.

Q. On a mortgage?—A. Just the regular form of bond.

Q. Coupons attached?—A. Coupons attached.

Q. And have the bonds been attached and presented for collection?—A. The bonds up to a certain time were attached and presented and unpaid.

Q. No notice taken of them?—A. No. This is section 2 of Chapter 6 of the statutes of the province of Quebec, 1895:—

‘The said bonds shall form and be a first charge and lien upon the tolls, revenues and assets of the said trust, and all interest from time to time due thereon shall be paid out of the said tolls and revenues, and shall be a first charge thereon after payment of all necessary costs and charges in connection with the management of the trust and the maintenance of the roads.’

*By the Chairman:*

Q. After the payment of all necessary costs?—A. All necessary costs and charges.

Q. That would rank before any bonus?—A. Unless the bonus should be regarded as a necessary cost or charge.

Q. Anything in the law?—A. I do not see anything.

*By Mr. Ames:*

Q. When was this interest last paid? How much accrued interest is there to-day?—A. Interest was received as under: during the year 1895 and 1896, three and a half years interest, \$10,500; during the year 1896-7 one quarter of a year's interest, \$3,500; and during the same year thirty-four days interest on \$500, \$16.39; total amount of interest received, \$14,016.30.

Q. I see that since the year 1897, the year when the old board went out and the new one came in, there has been no interest paid?—A. No.

Q. And none of the original indebtedness?—A. One bond of \$5,000 was redeemed.

Q. In 1897?—A. Yes.

Mr. AMES.—Have you anything more, Mr. Chairman?

The CHAIRMAN.—No.

Mr. BOVILLE.—I might just add that the arrears of interest to the 30th June, 1908, amounted to \$85,312.50.

*By Mr. Ames:*

Q. That is to the 30th June, 1908?—A. Yes.

Q. Do those arrears appear in the assets of the Dominion?—A. No.

Q. But the \$195,000 three and a half per cent bonds do?—A. Yes.

Q. Taken at 100 cents on the dollar?—A. Yes.

PAUL GALIBERT, Chairman of the Montreal Turnpike Trust, called and examined:

*By Mr. Ames:*

Q. You are chairman of the Trust?—A. Yes.

Q. When were you appointed chairman of the Trust?—A. In 1906 or 1907. I do not remember exactly.

Q. Do you remember what part of the year it was? Was it the beginning of the year?—A. Yes, the beginning of the year.

Q. The board is at present composed of yourself, Mr. L. E. Boyer, Mr. R. Gohier, Mr. Joseph Allan and Mr. W. Sinamon?—A. That is correct.

Q. Now you are acquainted with the history of the Trust. Will you tell us in a general way why it is that the interest has not been paid to the government from 1897?—A. Well, it was a question of whether we should pay the interest or give the people better roads. The trustees thought it best not to pay the interest but to spend money in buying more stone for the better maintenance of the roads. That is one of the reasons.

Q. In the year 1897, if this account is correct, as I have no doubt it is, there was an over-expenditure of \$7,747 about your receipts?—A. In 1897?

Q. In that year your general expenses were very heavy, \$13,380. Do you know what the reason was?—A. I suppose there were bridges to repair and there was a law-suit pending.

Q. In some years, you have had a deficit and in some years, a surplus?—A. Yes.

Q. I am going to ask your secretary-treasurer, when he comes to give evidence, what have been the total deficits since 1895, and what the total surpluses, so that we can strike a balance and see whether there has been a profit or a loss. Now what are the general expenses?—A. For maintenance of the roads?

Q. You classify your disbursements here in three accounts, first, maintenance of roads, second, general expenses, and third, interest. The actual maintenance of roads is, I think, clear enough, but the item, general expenses, varies very much. Will you tell us what constitutes the general expenses?—A. I suppose the administration of the Trust.

Q. Are the fees or bonuses received by the trustees charged to general expenses?—A. Yes, I think so.

Q. Can you account for the increase of 50 per cent of the general expenses since 1892-3? They were then about \$7,500. Now they are \$11,103. Why did your general expenses increase in the last six years by 50 per cent?—A. I would have to see the books and the different items.

Q. Does that mean that the different amounts received by the members of the Trust have increased?—A. Yes, that might have had some effect.

Q. In the matter of interest, you have a small amount each year. That means interest paid to the bank?—A. Yes.

Q. And to others who may at the time have lent you money?—A. I suppose, the banks principally.

Q. You sometimes lent money to the Trust yourself?—A. At the beginning.

Q. At what rate of interest?—A. Six per cent.

Q. What does the bank charge you as a rule?—A. Six per cent. We had a little deficit, and I had to advance the money.

Q. You tided them over?—A. Yes.

Q. Your annual interest charges, that are given here in this statement (see Exhibit X (a)), are only for bank interest?—A. I think so.

Q. In what form in your books does the accrued indebtedness towards the Dominion government appear?—A. I think the accountant would be able to answer that.



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Q. Now the members of the Trust received a fee of \$5 a meeting?—A. Yes.

Q. Does the president receive any more?—A. No.

Q. Under what authority did you distribute bonuses to the members of the Trust?—A. The trustees voted that amount.

Q. You think you have that power when the Act distinctly states that the first charge, after all necessary costs, is the interest to the government?—A. I understand that is administration as well. We never thought it was unusual for a corporation like that to vote themselves a little bonus. We did not inaugurate this. We followed what was done previously.

Q. I see that previously the chairman used to receive \$500 a year by way of bonus. One other member of the board received \$100. I suppose he was the vice-chairman, and none of the other members of the Trust received anything except this \$5 for attendance. But I notice that in 1889, your board distributed \$1,000, \$200 to each of the five members; that in 1900, you distributed \$1,000 in the same way; that in 1901, 1902 and 1903, you did the same thing; that in 1904, you distributed \$300 to each, \$1,500 in all; that in 1905, you distributed \$1,500 to the four members, \$375 each; that in 1906, you distributed \$300 to each member, \$1,500 in all; that in 1907, you distributed \$500 to each member, \$2,500 in all; and that in 1908, you distributed \$600 to each member, \$3,000 in all?—A. They kept increasing.

Q. They apparently did keep increasing. Were the services in 1908, for which each member received \$600, different from the services in previous years?—A. We had a good deal of work. Municipalities were opening up sewers, and we had to go on the ground and look things over.

The CHAIRMAN.—I do not think that comes within the scope of our inquiry.

Mr. AMES.—We want to see whether the surplus they had at the end of the year is a surplus that is diminished by the distribution of bonuses among members of the trust.

The CHAIRMAN.—But what work they did does not affect us in the slightest.

Mr. GALIBERT.—There was a couple of years in which no bonus was paid.

Mr. AMES.—Yes, the first year and a half there was no bonus.

Q. In 1908 your receipts were \$48,251?—A. Yes.

Q. Your maintenance of roads \$40,043?—A. Yes.

Q. And your general expenses were \$11,103?—A. Yes.

Q. And your interest \$81.65. That made a deficit of \$2,976, and yet you distributed \$3,000 a year, a sum larger than the entire deficit?—A. I suppose that bonus was voted before we got the statement out.

Q. Well, now, what property have you at the present time. What does it consist of?—A. It is always the same property. We own 58 miles of road, which is valued at \$4,000 a mile.

Q. That 58 miles to-day is not all under your control?—A. There is about one-half of it commuted to different municipalities.

Q. I think 25 miles of it are commuted?—A. Yes.

Q. Twenty-five and one-half miles have been conceded to various municipalities?—A. Yes.

Q. These municipalities pay you annually?—A. Six per cent.

Q. On \$4,000 a mile?—A. Yes.

Q. That is \$240 a mile?—A. Yes.

Q. From that source you get a revenue of about \$6,000?—A. Yes, about \$6,000.

Q. Do you in return expend any money in the maintenance of that 25½ miles of road?—A. No, except that we have to see that the road is properly maintained.

Q. That \$6,000 you receive is absolutely clear profit to you?—A. Yes.

Q. It does not cost you anything to collect and there is no maintenance of any kind?—A. None at all.

Q. That revenue is apparently expended in keeping up the other 33 miles?—

A. Or other fixed charges.

Q. Are your revenues being interfered with by the street railway branch lines that are going out to the island of Montreal?—A. To some extent.

Q. Do you anticipate that your revenues will be increased in consequence of that?—A. Not very much.

Q. So that you think the future will be about the same?—A. I think about the same.

Q. Do you expect any increase?—A. I do not expect any. I might explain the extra expenditure on the roads. The municipalities are opening up new streets and we have got to put check gates up which cost more money to maintain. They are breaking up our roads, putting in sewers. They break up our roads and it costs money to get them fixed up. Then there is all the heavy traffic from the Longue Point locomotive works, which crushes our stones and makes it very expensive to keep up the roads. From five to ten ton loads go over our roads.

Q. You estimate your roads at \$4,000 a mile?—A. Yes.

Q. Is that an arbitrary valuation. I mean do you consider one mile more than another or less than another?—A. They cost about the same to build.

Q. You make an arbitrary valuation?—A. Yes.

Q. When you concede the road to a municipality, you deduct at the rate of \$4,000?—A. Yes.

Q. Have you any negotiations in progress to concede a further portion of your roads?—A. Not that I can see. Of course, Montreal is increasing all the time. We are proceeding in that direction as much as we can.

Q. What do you think are the probabilities of being able to get rid of all the roads?—A. That is hard to judge just now.

Q. Are there any other municipalities that are likely in the immediate future to take over your roads?—A. Yes. At Longue Pointe, we could do away with two or three miles.

Q. How about Maisonneuve?—A. That is conceded.

Q. Outremont?—A. Yes.

Q. And if St. Louis came into the city?—A. It is conceded. There is only the far end of our roads not yet conceded.

Q. And Notre Dame de Grâce?—A. Yes.

Q. What would you think of a proposition to concede to the government the claims which you have against the several municipalities, of allowing the government to proportionately calculate twenty-five and five-eighths of its indebtedness as against those conceded roads and receiving annually from these municipalities, leaving you with the balance of 33 miles?—A. I think it would be a very good idea. Our expenses are really all the same. Our fixed charges will always be the same.

Mr. BOVILLE.—I should think a better arrangement would be for the Trust to obtain authority from the legislature of the province of Quebec to give a deed to themselves and the municipalities, and sell outright, the municipalities to pay say \$4,000 a mile towards the extinction of the bonds.

The CHAIRMAN.—I want to find out more about the arrangement. It does not seem to be very clear. Under what sort of agreement have you conceded roads to the municipalities?

Mr. GALIBERT.—We are still proprietors of the roads, and they cannot pay us until the government passes a law authorizing us to collect the money.

*By the Chairman:*

Q. Then you have no right, as a matter of fact, to concede those roads now?—A. I think we have.

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Q. You have no right to sell?—A. We are only commuting them.

Q. You have no right to sell. You have to get legislation for that?—A. Yes, and I think it would be wise for the government to pass legislation and collect these moneys.

Mr. BOVILLE.—That would require legislation in the province of Quebec.

*By the Chairman:*

Q. Are you taking some steps to get this legislation passed?—A. No, there is legislation on foot to abolish the tolls.

Q. I understood there was some legislation on foot?—A. I think it should come from the bondholders.

*By Mr. Ames:*

Q. Would the government be justified in saying to the Turnpike Trust that if they would undertake to put this legislation through, the government would bear the cost of the legislation?—A. Instead of collecting that money why not collect interest at 6 per cent. That is a good investment, I think.

Q. Are you in a position to transfer your roads to the government? You cannot do that without legislation?—A. No. It was a question of whether it was better for us to pay interest to the government or to spend that money in buying more stone and giving the people better roads. When a man pays ten cents, I think he is entitled to a good road. Of course the bondholders are there.

Q. You are generous to the public at the expense of the government?—A. Of course, it is the public that are paying for the good roads.

Mr. AMES.—That statement put into our minutes conveys everything that is required, I think. Have you any more questions to ask, Mr. Chairman?

The CHAIRMAN.—I have no more questions to ask.

*By Mr. Ames:*

Q. Who would be the residuary legatees of the balance of the trust?—A. The government, I suppose.

J. E. ROY, recalled:

*By Mr. Ames:*

Q. You wish to make a correction I think?—A. I just wish to explain that if they wanted to make any reduction in selling the residue of the road, they would have to go back to the original holders and make a reduction to them.

Mr. BOVILLE (recalled).—There are three items remaining untouched. One is the Earl of Selkirk mortgage.

*By Mr. Ames:*

Q. That is consolidated fund account on page 3?—A. Yes. The other is the Grand Trunk preference stock. It is a small amount, £25,015. The third item is the Quebec Turnpike Trust. The accountant, Mr. Saunders, will probably give you as much information as we have in regard to the Selkirk mortgage. If you will look at the evidence given before the Public Accounts Committee in 1882 you will find that the item, the Selkirk mortgage, was mentioned, but they do not seem to have been able to do anything with it.

Mr. AMES.—Let us hear what you know about it Mr. Saunders.



## EARL OF SELKIRK MORTGAGE ACCOUNT.

Mr. J. C. SAUNDERS, called and examined:

Mr. SAUNDERS.—In addition to what is on page 4 of the memorandum I find that the mortgage is for 1,000 years. The amount is £3,475, Canadian currency. That would be \$4 to the pound. The interest is payable on November 18, of each year. From old correspondence, I find that on November 18, 1854, the interest amounted to £2,040 Canadian currency.

*By the Chairman:*

Q. Arrears?—A. Yes. That is up to 18th November, 1854, 6 per cent is the rate of interest, and the interest to 1st November, 1908, would amount to £11,259.

*By Mr. Ames:*

Q. That is \$55,000?—A. Yes. From the old correspondence, I see the interest was not to be compounded. We have not the mortgage in our possession. It does not seem to have been in the possession of the Department of Indian Affairs in 1854

Mr. BOVILLE.—When was the mortgage executed?

Mr. SAUNDERS.—1808 was the original date, and it was money invested on account of the Six Nation Indians. At Confederation the government allowed it to the province of Ontario on their debt account. That is, they took it over as an asset.

*By Mr. Ames:*

Q. So the province of Ontario got the equivalent of cash?—A. Here is some correspondence with the Department of Indian Affairs in connection with it, from which I get most of the information I have just given you. The Department of Finance tried to locate that mortgage. As I say, it was never in the possession of the Department of Indian Affairs. It was suggested that we should write to the registrar at Cayuga, and so we did. We got this in reply:—

‘Dear Sir,—Re lands township of Moulton. In reply to your letter of 21st instant, asking for a copy of a certain mortgage, and known as the Selkirk mortgage, I beg to state that I do not find any such mortgage on record in this office, I send herewith printed extracts from certain instruments registered in the books and which we use in making out abstracts of title from the Boulton title to the present date. This may be of use to you in tracing the instrument. Is it not 8301 Assignment of Mortgage of which you wish a copy. And I may state further, that I do not find the original mortgage assigned amongst the papers filed in the office here. Kindly return the printed paper.’

*By Mr. Ames:*

Q. I notice it says in this extract:—‘Lately purchased at auction under an execution against the land and tenements of Thomas Douglas, commonly called Earl of Selkirk, and which said 30,800 acres of land or more particularly described in the original grant from the Crown to the said Earl of Selkirk, &c. Date 9th January, A.D. 1821. Registered January 24th, A.D. 1821.’ There seems to have been an execution against the lands and they were sold accordingly. Was our mortgage a prior claim?—A. In 1854 it was evidently in Mr. Boulton’s hands.

Q. Did he ever acknowledge it?—A. He acknowledged it and promised to pay up.



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Q. What steps have been taken since?—A. Nothing so far as I know has been done.

Q. Is it possible to locate the land?—A. The extract describes it as a block of 30,800 acres. The Welland canal runs through it, I think.

The CHAIRMAN.—Yes, the Welland canal runs right through it.

Q. If we take suit to recover, have we the necessary documents on which to prove our case?

The CHAIRMAN.—This instrument is lost, but the registrar says:—‘This may be of use to you in tracing the instrument. Is it not 8301 Assignment of Mortgage, of which you want a copy.’ There is a patent to Jarvis, and then evidently there was a right of execution against Jarvis, and the man that bought the land got it by a deed, and then sold it to Smith and his wife, who sold to Boulton.

Mr. SAUNDERS.—In 1852, the clerk of the Indian Department said that the mortgage was not in that department.

The CHAIRMAN.—It is not even on record. It is not in this abstract at all.

Mr. BOVILLE.—I think we will have to make further investigation to see if we can find any trace of it in the Indian Department, the Justice Department, or any other department.

*By the Chairman:*

Q. What could you do with it, anyway?

Mr. BOVILLE.—It would give us a clue.

Mr. SAUNDERS.—There was another mortgage like that from Boulton, and the Department of Indian Affairs told me, they got it settled four or five years ago.

*By Mr. Ames:*

Q. Evidently when any transfer occurs, of property in respect of which this mortgage was originally issued, that property form is given in order that the title may be clearly understood. If you can get any further information, we had better have it; if not, the only way would be to put it in the hands of the law department. What is the next item?

## QUEBEC TURNPIKE TRUST.

Mr. BOVILLE.—The Quebec Turnpike Trust in the Consolidated Investment Account, page 4. ‘Quebec Turnpike Trust.’ The special council in Lower Canada passed an ordinance in 1841 granting a board of trustees power to build and prepare roads in the neighbourhood of Quebec. The trustees were appointed by the Crown and constituted a corporation authorized to issue debentures. On June 10, 1861, the secretary of the Trust wrote to the government representing the inability of the Trust to pay interest due on their debentures and petitioning to be relieved of their embarrassment.

*By Mr. Ames:*

Q. Which government?

Mr. BOVILLE.—That would be the government of the province of Canada in 1861. A loan of £5,000 currency was made to the Trust. In carrying out the instructions, it was found that the trustees had no authority to issue further debentures, and on December 30, 1861, the £5,000 was advanced to the trustees, and a bond executed dated December 30, 1861, in which the amount so advanced was to be repaid by the first moneys or fees that might come into the hands of the trustees applicable to this

purpose in ten years from the date it was issued. This bond was on January 8, 1862, confirmed by order in council. No interest was paid up to confederation and the amount was taken by the Dominion as security in reduction of the debt of the old province of Canada, and has continued to be so held. No interest was ever paid thereon. In 1903, the Attorney General of Canada entered an action in the Exchequer Court to recover this amount, and on January 11, 1904, judgment was given entitling the Dominion 'To pay thereof when there are funds applicable for that purpose after provision is made for other prior charges upon the tolls and revenues of the said Trust or Defendants.' This judgment was confirmed on appeal to the Supreme Court of Canada on November 22, 1906. As to the prospect of ever receiving anything on account of this bond, the language of the judge of the Exchequer Court in giving judgment in 1904, is clear as follows:—'With reference to this bond there is, I think, no present difference or controversy between the parties. There is not named and there never has been in the defendant's hands any moneys that can be applied to the payment of either the principal or interest thereof, and the contingency that there will ever be any funds available for that purpose is an exceedingly remote one. If ever in the future, there should, after providing for all charges, tolls and revenues of the trust, be anything that could lawfully be applied to the payment of the interest or principal due on this bond, the amount can be paid to the Crown, and I understand that both parties are agreed that it should be so declared and that judgment be entered in this case. There are preference and non-preference debentures in the hands of the public amounting to \$249,928.

*By the Chairman:*

Q. I suppose that is the same as privileged debentures?—A. There are also preference and non-preference held in what is known as the Common School Fund amounting to \$58,000. That makes a total of \$307,928.

Q. Ahead of us?—A. Yes. The Trust has paid interest on the preference debentures, but the interest on the non-preference debentures is very much in arrears, and it is extremely doubtful, with the present revenue, that they ever will be paid.

*By Mr. Ames:*

Q. What have we by way of security, with reference to that bond?—A. Just the bonds.

Q. And the bond represents \$20,000 and the \$11,000 accrued interest?—A. The bond is \$20,000.

Q. You have taken no account of the interest?—A. We have not made up the interest.

Q. When was the principal of the bond due?

The CHAIRMAN.—The bond was made on December 30, 1861 and was due in 1871. It was to be paid ten years from date with interest.

*By Mr. Ames:*

Q. Do you wish to keep it alive? We would not, in any way, lose our right if it ever came to anything.

Mr. BOVILLE.—I think the proper thing to do is to recommend that it be laid aside and not taken as an asset. I would not like it to be wiped out altogether.

*By Mr. Ames:*

Q. You would not recommend that it be struck off or that we should relinquish our efforts towards collection?—A. No.

Q. But that it be not included as an asset?—A. Yes.

## APPENDIX No. 1

Mr. AMES.—I think that is a proper recommendation. The committee recommend that this \$20,000 bond be not taken henceforth as an asset in the balance sheet. Now what about the Grand Trunk Railway third preference stock?

## GRAND TRUNK RAILWAY, THIRD PREFERENCE STOCK.

Mr. BOVILLE.—As to that we get occasional remittances of interest. We will still have to regard it as an available asset.

*By Mr. Ames:*

Q. Do you get an occasional remittance?—A. Yes.

Q. Do you take a hundred cents on the dollar?—A. I think so.

Mr. AMES.—I should think the proper thing to do would be, to put it in the market and sell it and put the money in the treasury and write off the difference.

The CHAIRMAN.—Have we the right to speculate on the market? This might be good in ten years. We are not pressed for money. I do not think we should slaughter.

Mr. BOVILLE.—I think we ought to keep that.

*By Mr. Ames:*

Q. You do not think that ought to be touched at all?—A. I do not think so.

Mr. RHODES.—Any trust company or bank must value their securities. In many instances they value them below their market price. It would seem to me that the committee would be doing the right thing if they would recommend a valuation for this.

Mr. BOVILLE.—The government does not write up or down. I would like to make a suggestion, as was done in 1882, that the Public Works Department and the Railway Department be asked to prepare a statement of the public buildings and property in their possession with the value thereof.

Mr. AMES.—I think every department should do that. I think it would be a useful statement.

Mr. BOVILLE.—From time to time, not every year.

Mr. AMES.—It has not been done since 1882. We will recommend then, that all the departments in the public service be requested in the course of the present fiscal year to make a statement to parliament, a statement and valuation of the properties belonging to the Crown under the jurisdiction of each department, said statement to be laid before parliament within fifteen days of the opening of next session. (See Recommendation (1) in Report.)

## MONTREAL TURNPIKE TRUST.

The CHAIRMAN.—They are to prepare this statement of the properties together with their value. With reference to the Montreal Turnpike Trust, the committee recommend that the number of miles of road now conceded by the Trust to the various municipalities be taken over by the government so soon as legislation permitting the Trust to divest itself of these roads be obtained, and that the amounts that are received for such roads from such municipalities be paid to the government and applied on account until such time as the whole amount of purchase moneys are paid by the municipalities, and that the sum commuted be paid in reduction of interest. You might add that legislation be obtained at the same time to obtain the title to other portions of the roads.

Mr. AMES.—I think we should also stipulate that the fees paid to the directors by way of bonus should not annually exceed \$600. I think we should recommend that \$200 be paid to the president and \$100 to each of the directors. That would make \$600 so long as the trust is unable to pay their interest. (See Recommendation (2) in Report.)

#### INTEREST SPECIAL ACCOUNT.

Mr. BOVILLE.—There is just one thing that occurs to me. We have in the Public Accounts, in the Balance Sheet, several interest special accounts, representing arrears of interest calculated up to a certain time, from the Albert Railway Loan Account, the Montreal Turnpike Trust, Quebec Harbour debentures, and Three Rivers harbour debentures. They are not taken as assets, and they do not directly come under the control of the committee. But at the same time, I think the committee should make a recommendation that these interests be reversed. In other words, that these interest special accounts be taken out of the Balance Sheet as unnecessary and reversed. These amounts do not represent the amount of arrears of interest up to date. They were only calculations for a certain number of years, and when they found no interest was being paid, the calculations were stopped.

Mr. AMES.—All we can say here is, that in printing the public accounts, these four items should not appear.

Mr. BOVILLE.—Put it this way, that these interests should be reversed.

Mr. AMES.—What do you mean by reversed?

Mr. BOVILLE.—These will disappear altogether from the Balance Sheet. They do not affect the debt in any way. By reversed, I mean cancelled, because they do not represent anything.

Mr. AMES.—Well, reverse these items, the Albert Railway Loan Account, the Montreal Turnpike Trust, Quebec Harbour debentures and Three Rivers Harbour debentures, 'interest special accounts.' (See Recommendation (5) in Report.)

Mr. POTTINGER, recalled:—

#### P. E. I. RAILWAY, DISPUTED ACCOUNT.

*By Mr. Ames:*

Q. You wish to make a statement?—A. I produce copies of the claims of the Intercolonial Railway and Prince Edward Island Railway against the Department of Militia and Defence. We were asked to put them in. (See Exhibits U and PP, respectively.)

Mr. AMES.—Here is the reply of the department:—

'With reference to your letter of the 23rd instant respecting an amount of \$48.40 stated to be due to the Prince Edward Island Railway by this department, I have the honour to inform you that the Eastern Railway rendered an account for that amount in 1884. It was not, however, accompanied by vouchers in support of the claim and the vouchers not having been furnished, although subsequently called for, the claim has not been recognized.' They also write: 'With reference to your letter of the 23rd instant, respecting an amount of \$1,776.47 stated to be due by this department to the Intercolonial Railway, I have the honour to inform you that so far as the records of this department show, there is no such amount due to said railway. The only accounts of the Intercolonial Railway which are unpaid, are some which have been incurred since January, 1909, amounting to \$696.25 which will be paid as soon as funds are available. I am writing to the comptroller and treasurer of the Intercolonial Railway at Moncton requesting a detailed statement showing how the amount referred to in your letter has been arrived at and shall communicate with you again with reference to the matter in due course.' (See Exhibits P and UU.)



## APPENDIX No. 1

The CHAIRMAN.—They dispute liability?

Mr. AMES.—They dispute liability.

The CHAIRMAN.—We submitted that to the Justice Department, did we not?

Mr. AMES.—Yes, it has not gone to them yet.

Mr. AMES.—A copy of this should be sent to the Militia and Defence Department now. Would it not be well to ask the law officers of the Crown to look over these and send some one here on Tuesday to advise us.

The CHAIRMAN.—It seems foolish to repeat items as late as 1875. I do not think it is worth while bothering about them.

## I. C. R., DISPUTED ACCOUNTS

Mr. POTTINGER.—I produce the statement called for in respect to our claim against the Public Works Department. (See Exhibit R.) That has reference to the bridge at Restigouche, and amounts to \$14,814.

The CHAIRMAN.—There was an appropriation made for that but it was not paid, and the appropriation lapsed.

Q. You think this would be admitted by the department?—A. They have admitted it. It was a bargain between the two departments.

## P. E. I. RAILWAY, DISPUTED ACCOUNT.

Mr. AMES.—We will call that good then. How about this Post Office Department item, \$5,457. Don't you think we might as well write this item off?—A. If it is taken off our accounts and charged to consolidated fund I will be quite willing.

*By the Chairman:*

Q. You do not think there is any chance of making good?—A. I do not know.

Mr. AMES.—I see from their letter that they resist it stoutly.

The CHAIRMAN.—I move that that be struck out. I do not think there is any good of wasting time over it.

Mr. AMES.—What is the departmental method of dealing with it?

Mr. BOVILLE.—Wipe it out of your I.C.R. accounts and charge it to consolidated fund.

Mr. AMES.—Charge it to consolidated fund. Now, what about the Prince Edward Island Railway item, \$48.40?

Mr. POTTINGER.—You have our statement in regard to that. There is nothing in writing from the Militia Department in regard to that. In those days the officers of the Militia Department were stationed almost underneath the Railway Department, and it was a habit of the officers in both departments to go backwards and forwards and do their business verbally. I presume that Mr. Schreiber had some authority for the letter which he wrote to the Superintendent of the Prince Edward Island Railway.

The CHAIRMAN.—We had better strike it out.

Mr. AMES.—Charge that to consolidated fund also. Now, with reference to this item, \$1,776.47 I see that the Militia Department says:—'That so far as the records of this department show there is no such amount due the said railway. The only accounts of the I.C.R. which are unpaid are some which have been incurred since January, 1909, amounting to \$696.25, which will be paid as soon as the funds are available. I am writing to the comptroller and treasurer of the I.C.R. at Moncton requesting a detailed statement showing how the amount referred to in your letter

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has been arrived at, and shall communicate with you again with reference to the matter in due course.' Perhaps we had better hold this till next meeting.

*By the Chairman:*

Q. Have you sent this to the Militia Department?

Mr. POTTINGER.—Not at present. But it has been sent from month to month since 1875.

The CHAIRMAN.—Write it off. Charge \$1,776.47 to the consolidated fund.

#### I. C. R. WINDSOR BRANCH, OPEN ACCOUNT.

*By Mr. Ames:*

Q. What about that item, the Dominion Atlantic, \$135.33?

Mr. POTTINGER.—I submit a statement in duplicate. (See Exhibits T and TT.)

Mr. AMES.—I should call that perfectly good. I think it ought to be collected even if you have to take legal steps to do so. Now have you details or any statement with reference to the tickets advanced to the labour delegates who went to the conference at Halifax?

#### NATIONAL LABOUR CONGRESS.

Mr. POTTINGER.—No, I have not. The department tried, through the Department of Justice, to collect that amount. I have the letter over in the office.

Q. Where is the correspondence in respect to that—who ordered the tickets?—A. They were ordered by some person in Ottawa who telegraphed to our agent in Montreal.

Q. Can you produce the telegram?—A. I have not got the telegram.

Mr. AMES.—I would like to see the papers relating to that transaction.

The CHAIRMAN.—What is the amount?

Mr. AMES.—About \$451. Somebody is responsible for those tickets and whoever authorized them to be issued ought to be responsible. Have you a statement about the steamer *Minto* item?

#### I. C. R., TRAFFIC LEDGER DISPUTED ACCOUNT.

Mr. POTTINGER.—The organization of the Marine and Fisheries Department does not seem to be well adapted to that kind of business, and there has been a great deal of trouble in getting them to settle their claims and their share of claims for freight damaged when being transported on their winter steamers. I produce a list of the sums, making up the total amount. If I might suggest it, they might be asked like the other departments, what they have to say.

Mr. AMES.—Have you, Mr. Secretary, communicated with the Department of Marine and Fisheries?—A. Yes, I did, but I have received no reply.

Mr. AMES.—We had better hold that until we get a reply.

#### THE TOBIQUE VALLEY RAILWAY.

Mr. POTTINGER.—I produce a list of the rents that are uncollectable amounting to \$3,479.15. (See Exhibit Q.) I also produce a statement referring to the Tobique Valley Railway item for the hire of a locomotive, \$2,739.25. The locomotive was leased to them in 1896 and they paid \$100 on account, and that is all they ever paid.

## APPENDIX No. 1

They kept the locomotive until 1898, when we took it back from them. There is all the correspondence with Mr. Blair.

*By Mr. Ames:*

Q. You regard that as quite uncollectable?—A. Yes.

Mr. AMES.—That is \$2,739.25.

Mr. POTTINGER.—There is a large amount owing by the Quebec Southern Railway.

Mr. AMES.—That is a solvent concern is it not?

Mr. POTTINGER.—That was the railway sold by the Exchequer Court. It was bought in the interest of the Delaware and Hudson Canal Co. On our account there is only \$1,507.80, that the law officers say is collectable. It appears that under the law of Quebec, the Crown has no more rights than any individual. That is so stated in one of the letters by the Deputy Minister of Justice. The Deputy Minister of Justice says:—‘I know of no ground on which the Crown can claim priority in this case. If, however, you will point out to me such ground I will be happy to take the necessary action in that connection.’ The registrar of the Exchequer Court paid \$1,507.80 and the balance is still owing.

*By the Chairman:*

Q. How long has that been running?—A. For quite a number of years. There is another letter in which the Deputy Minister of Justice says:—‘I am unable to say what dividend the Intercolonial will receive in respect of this claim. I understand that the amount will be very small, as the Crown has no preference in the province of Quebec.’

*By Mr. Ames:*

Q. No amount has been received?—A. No. Perhaps that amount might be left aside just now. We will try to make some inquiry. Now, there was \$22.22 owing from J. S. Norris & Co., and as they have a counter claim of \$135, we have carried that along as against them. I suppose we had better carry that against them.

The committee adjourned to meet on Tuesday, May 4, at 10.30 a.m.

HOUSE OF COMMONS,  
ROOM No. 32,  
TUESDAY, May 4th, 1909.

The Sub-committee of the Select Standing Committee of Public Accounts appointed to consider the assets of the Dominion, as shown in the Balance Sheet of Public Accounts for the fiscal year ending 31st March, 1908, met at eleven o'clock, the Chairman, Mr. E. F. Pardee, presiding.

Mr. T. C. BOVILLE, recalled.

*By the Chairman:*

Q. Mr. Boville, you had some further statements you wanted to make this morning, what were they about?—A. The Selkirk mortgage. We haven't any statement from the Quebec and Three Rivers Harbour Commissioners. They haven't come to you yet, have they, Mr. Saunders?

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Mr. SAUNDERS.—No, we had a statement from Mr. Woods, the secretary of the Quebec Harbour Commissioners, stating that he could not come to a solution of the difference between his accounts and the figures given in our statement, some \$138,000 odd. I have a solution of that.

The CHAIRMAN.—We might as well take that matter up now.—A. Mr. Saunders can give the explanation of that item.

## QUEBEC HARBOUR COMMISSIONERS.

Mr. SAUNDERS, recalled.

*By the Chairman:*

Q. Will you please explain this difference in connection with the account of the Quebec Harbour Commissioners?—A. Mr. Woods differed from the Finance Department's figures by \$138,072.10. We sent him a statement of our side, and he telegraphed back that his books agreed with ours with the exception of two cheques, viz.: \$135,717.20 and \$2,354.90. I examined our records and found that for the first year the interest charged amounted to \$179,097.20, of which we received \$43,380 cash, the difference being \$135,717.20 which he refers to. Having started to pay interest, I suppose that the accountant at that time took it for granted that we would receive the interest regularly, so the arrears for that year he charged to Capital Account, instead of putting it into the Interest Special Account. As no further interest was received, instead of piling up the Capital Account with these arrears of interest, from that time on, he put them into a Special Interest Account, and Mr. Woods did not take into account that \$135,717.20, which had been charged to Capital Account.

*By Mr. Ames:*

Q. That \$135,717.20 is in the same position as any other Interest Special Account which you do not take into consideration as an asset?—A. Exactly.

Q. So that amount should come off?—A. Yes, it should come off.

*By the Chairman:*

Q. So that really there is \$135,000 charged to Capital Account that should not be there at all, it should be in the Interest Account altogether, and, therefore, should be taken off the Capital Account?—A. Yes.

*By Mr. Ames:*

Q. In other words, this sum under 'Sundry Investments, \$4,137,956.22' should be reduced by \$135,717.20, and the sum under 'Interest Special Account, Quebec Harbour Debentures,' which stands at \$1,305,315.01, should be increased by \$135,717.20?—A. Now there is a little further difference.

Q. What is that?—A. Well, on the 18th of January, 1907, we made an advance of \$20,265.68 to the Quebec Harbour Commissioners on application from the Public Works Department. I looked up that application, and the certificate, and found it was chargeable to the Quebec Harbour Commissioners. I also have the cheque for the amount which is endorsed by Mr. Woods himself, secretary-treasurer to the Quebec Harbour Commissioners.

*By the Chairman:*

Q. For how much?—A. For \$20,265.68. Now, Mr. Woods claims, in his letter, that \$2,354.90 of this amount should be charged to the Public Works Department for sheds for immigration.



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Q. And deducted from this?—A. I went to the Public Works Department this morning. Mr. Kingston, the accountant, was not there, but I saw the officer in charge; he turned up the vouchers. There is nothing to show on the voucher why it should not be considered a charge to the Quebec Harbour Commissioners. That is as far as I can go. These two amounts are the only differences between our books and those of the Quebec Harbour Commission.

*By Mr. Ames:*

Q. They have then about \$4,000,000 of indebtedness?—A. Yes, \$4,087,139.03. These two differences here spoken of bring their indebtedness up to our figures.

The CHAIRMAN.—\$4,225,211.13, yes, that is right, that is with the \$135,717.20 and \$2,354.90! So that is really a deduction from capital and an addition to the interest which leaves it as it was.

Mr. AMES.—Of course, we do not take the interest special account in among the assets, so that reduces the assets by \$135,000.

Mr. BOVILLE.—Yes.

The CHAIRMAN.—Do you not take into your assets the amount that is due on these debentures for interest?

Mr. BOVILLE.—No, we never take in those amounts as assets at all. To unduly inflate your assets with uncollectable accounts is not a good policy. If these accounts are paid we get the benefit of them immediately.

Mr. RHODES.—I suppose what you mean is, if the principal is to be paid the interest will be paid also. In other words, if principal is a good asset the interest ought to be also.

The CHAIRMAN.—It does not necessarily follow.

Mr. AMES.—Then our resolution is that \$135,717.20 be struck from the assets collectable on account of Quebec Harbour debentures and transferred to the interest special account.

Motion agreed to.

## SERVICES AND UNPAID SPEECHES.

The CLERK.—I have a couple of statements supplied yesterday by the Auditor General. One of them refers to the amounts due from members for unpaid speeches. I believe Mr. Fraser wishes the committee to make a recommendation in regard to it.

Mr. AMES.—The only thing we can do is to recommend to the House that these arrears due by senators and members of parliament for publication of speeches should be deducted from their indemnities, and that where pensions or salaries are enjoyed by ex-members of parliament the arrears should be deducted from their stipends.

The CHAIRMAN.—I do not know about that. For instance, there is an account against one man of \$5.90.

Mr. AMES.—Why should not these gentlemen pay as well as the rest of us?

Mr. RHODES.—Of course, there is this to be said: some of these accounts may be disputed and possibly are not due. We could recommend the adoption of a rule which would prevent such arrears in future.

Mr. AMES.—How would it do to pass a rule for the future as far as this committee is concerned?

The CHAIRMAN.—That might be all right.

Mr. AMES.—Then we will recommend that henceforth arrears owing by members or senators in connection with the publication of their speeches should at the end of the session be deducted from the balance of their sessional indemnity.

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The CHAIRMAN.—And that the King's Printer be instructed to notify the respective accountants of the Senate and House of Commons in regard to such arrears.

Motion agreed to.

I. C. R. TRAFFIC LEDGER, DISPUTED ACCOUNT.

The CHAIRMAN.—Now, what about the claim of \$268.14 against the *Minto*?

Mr. STUMBLES, Department of Marine and Fisheries, called and examined.

The WITNESS.—This item represents a claim by the Intercolonial Railway against the Marine Department.

*By Mr. Ames:*

Q. What is your position, Mr. Stumbles?—A. I am now called statistician of the Department of Marine and Fisheries.

Q. This claim has been made by the Intercolonial against the department?—A. Yes.

Q. And you have not paid it?—A. We have not paid it.

Q. What are your grounds for refusing payment?—A. Well, the officers that dealt with the accounts are not in the department now, and, of course, I cannot explain why they did not pay the accounts.

Q. What do the records of the department show?—A. The records of the department show that we agreed to pay one-half of the account they sent in, settling claims that had been made against the Intercolonial for damage and loss in conveying material on the Prince Edward Island and Intercolonial Railways, and the Department of Marine steamers which connected with the two lines. There was a claim amounting to about \$545 put in against these lines, and the Intercolonial suggested to our department that if we would pay one-half, they would settle the account, and our department agreed to that, and requested them to pay the accounts and send in the receipts and that they would then be reimbursed for one-half of what they had paid out. That has not been done.

*By the Chairman:*

Q. Have you had no further communication at all with them in regard to it?—

A. No, there does not appear to have been any more communication, but I have gone over the accounts and find, that the receipts they have sent in of what they have paid out do not agree with the original account.

*By Mr. Ames:*

Q. What is the difference?—A. About \$50, they are lacking \$50 in their receipts.

Q. Have you asked them to supply the additional receipts?—A. It appears not.

Q. The easy way out of the difficulty is for the Marine Department to pay the one-half of the amount which can be duly vouched for?—A. Yes.

Q. And they should communicate with the Railway Department and inform them that on producing vouchers for the remaining portion, the Marine Department will pay one-half of that?—A. Yes.

*By Mr. Carvell:*

Q. How old is the transaction?—A. May 14th, 1902.

Q. They ought to be able to furnish those vouchers?—A. They may have been written, I cannot say.

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*By Mr. Ames:*

Q. The vouchers for the last \$50 are lacking?—A. Yes.

Q. But all the rest of that \$500 odd has been duly vouched for?—A. Yes.

*By the Chairman:*

Q. And the agreement was to pay one-half of that \$545?—A. Yes.

The CHAIRMAN.—I should think it would be a good thing to make a recommendation that one-half of the \$545 be paid by the Marine Department, and that the other portion be struck off the Railway Accounts.

*By Mr. Boville:*

Q. Is this claim for goods damaged and lost?—A. Yes.

Q. Out of what appropriation can your department pay it?—A. Unforeseen Expenses.

Q. That is the appropriation in your department out of which you would have to pay that?—A. Yes, sometimes we get it back as a refund from the Auditor General.

*By the Chairman:*

Q. What would you suggest about that, Mr. Boville?

Mr. BOVILLE.—I should say that the Marine Department would pay their account; they should get the \$50 from the Railway Department and pay their account.—A. It is the desire of the department to pay it.

Mr. AMES.—Well, then, we will call that a good asset and the Marine Department had better go ahead and pay it. What about those matters that were referred to the Justice Department, have we reports from them?

The CLERK.—I was over to the Justice Department yesterday afternoon, and Mr. Leslie told me that Mr. Chisholm and Mr. Fraser were the only two men available that could be sent here this morning. I phoned a moment ago and was told that neither one was at the office.

Mr. SAUNDERS.—Mr. Fraser is off on leave of absence.

Mr. AMES.—What about this item of the Quebec Southern Railway, \$25,637.33?

The CLERK.—That was a matter left over the other day for Mr. Pottinger.

## EARL OF SELKIRK'S MORTGAGE.

Mr. BOVILLE.—With regard to the Selkirk mortgage, we have made inquiry and search, and we are not yet in a position to place the matter satisfactorily before the committee. I would suggest that the committee recommend it be left to the Departments of Finance and Justice to arrive at some satisfactory solution.

The CHAIRMAN.—There is no use in doing anything else but making a recommendation of that kind.

Mr. AMES.—This account is 101 years old.

The CHAIRMAN.—The only provision for repayment is in regard to the payment of interest.

Mr. BOVILLE.—It is an irredeemable mortgage. I would like the committee to carry out my suggestion; I would hate to drop the account.

The CHAIRMAN.—Then the matter stands with the recommendation that the Finance Department and the Department of Justice should go into it and find out the status of this account.

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Mr. AMES.—The remaining item is Quebec Southern Railway, \$25,637.33. I would suggest that Mr. Pottinger be asked to appear before the committee to-morrow morning to give an explanation in regard to this item.

Motion agreed to.

Committee adjourned.

## HOUSE OF COMMONS,

Room No. 32,

WEDNESDAY, May 5, 1909.

The Sub-committee of the Select Standing Committee on Public Accounts appointed to consider the assets of the Dominion, as shown in the Balance Sheet of Public Accounts for the fiscal year ending March 31, 1908, met at eleven o'clock, the Chairman, Mr. F. F. Pardee, presiding.

Mr. M. J. BUTLER, Deputy Minister of Railways, called.

## THE CARAQUET RAILWAY ACCOUNT.

*By Mr. Ames:*

Q. What about this Quebec Southern Railway (old account) \$25,637.33?—A. Excuse me, before taking that up, you have not done anything with the Caraqueet item, have you, because I think we can collect that all right.

Q. You think you can?—A. Yes, it is in the hands of the courts now. The reason why it was not prosecuted before was, that every time we started to take action they would come forward with assurances that they would pay, and that they were making a re-organization. Finally, we have given up the idea of waiting, and we are going to collect it right away.

Q. You probably might put them in bankruptcy?—A. I do not know about that, it might tie up the road by that means.

*By the Chairman:*

Q. In any event you will get the money?—A. Yes, I think so.

*By Mr. Ames:*

Q. It is now beyond the position of being restrained from attempting to collect?—A. Yes, the orders are positive to go ahead.

## THE QUEBEC SOUTHERN RAILWAY ACCOUNT.

Q. And there will be no interference with the carrying out of those orders?—A. No, we are going ahead. We regard to the Quebec Southern, the position is this, that the debt which appears in the books was adjudicated upon by the court, and the road was sold under the powers of a mortgage, and it was bid in by the Delaware and Hudson Railway Company, I presume that, therefore, the account is barred, as a matter of law; at the same time the Quebec Southern is the recipient of subsidies from the government for other parts of its line, and the idea occurred to me that if this committee would express an opinion that the government would be justified in withholding from these subsidies the amount unpaid on this debt it



## APPENDIX No. 1

would be advisable for them to do so, and in that way we would be able to secure payment.

Q. Have you the right, where a road is composed of several portions, to withhold the subsidy that one part of the road earns in order to pay up the debts of the other?—A. I would say, yes to that question.

*By the Chairman:*

Q. There is an absolute act passed which gives to them so much money upon certain conditions; I doubt if we have the power to afterwards interfere and take back a portion of that on account of a debt incurred by another portion of the road, that is the point.—A. That is the only point that arises. The only other point upon which I would venture to make a suggestion is that the committee might express an opinion which would help us very materially, namely, that the Board that has now been appointed for the management of the government railways be authorized to wipe off any of these minor items, which in their opinion, are uncollectable, say to the extent of \$100.

The CHAIRMAN.—Did we not recommend that already?

Mr. AMES.—We recommended up to \$25.—A. That will help some. But we want authority, supposing there is a charge made that might or might not be collectable, to wipe the item off; at present, if it is uncollectable, we have to carry it on the books, that is the point. I think there will be fewer of these items in the future than there have been in the past, as a matter of fact, and we need some authority to deal with them. But, if the committee has placed the limit at \$25 I have nothing more to say.

Mr. AMES.—That might, of course, be reconsidered.—A. I have not any special reason for making it \$100 any more than that would cover a great many of the cases with which we have to deal.

*By Mr. Ames:*

Q. We might make that \$50.—A. Yes, that will help us all right, it seems a pity to have all these small items appearing in the Public Accounts.

Mr. AMES.—I would be willing to increase that.

The CHAIRMAN.—I thought at the time that \$25 was not a very large amount, and I remarked that \$100 would be better than \$25. Surely the Board of Management of Government Railways ought to be trusted to deal with accounts up to \$100 in that way.

Mr. AMES.—I think that perhaps it can be put down, Mr. Secretary, as the revised finding of the committee that the committee recommends to parliament that the new Board of Management of Government Railways be granted discretionary power to write off, from time to time, uncollectable accounts not exceeding \$100.—A. That will cover most of the cases that are likely to arise. (See Recommendation (3) in Report.)

## THE CARAQUET RAILWAY ACCOUNT.

*By Mr. Ames:*

Q. Now then, with reference to this Caraquet Railway. I am not quite satisfied yet as to what our recommendation should be?—A. Every time we start to issue a writ, they come down and pay a little on account; they paid \$2,000 last time.

Q. Yes, but they do not pay as much as the accumulation of the accounts for each year amounts to?—A. Well, we have taken steps now to collect it. It is a road that has a business, it is a good feeder of ours, we are getting lots of business from it. The only thing is, they are getting very low rates for business, and I do not know in what kind of fashion they are serving the public; I presume it is poorly.

*By Mr. Ames:*

Q. If the claims in the hands of the law officers of the Crown will be pushed to a finality we will be satisfied, because there are sufficient assets to satisfy the account many times over?—A. Yes, to satisfy our claim many times over. The road is worth at least \$5,000 a mile, there is no doubt about that, under any circumstances.

Q. Even if you have to put down new ties and rails?—A. The existing rails are not bad.

Q. The railway runs through fairly populated country and there is a considerable trade about the Shippigan end of it?—A. It is a lumber business.

Q. Quite a large trade could be worked up down there in fish and oysters?—A. The fish business is small.

#### THE QUEBEC SOUTHERN RAILWAY ACCOUNT.

Q. Now, about the Quebec Southern Railway?—A. As I say, the situation with regard to it is that it was sold out under the powers of the court and bid in by the Delaware and Hudson Company. I do not know whether our debt was considered as a preferred one under the law of the province of Quebec. Under the law in any other province such a thing as furnishing car service would be so regarded.

Mr. CARVELL.—I am not so sure as to that.

Mr. BUTLER.—It would come in under working expenses.

Mr. CARVELL.—Otherwise, it would not.

Mr. BUTLER.—It is part of the working expenses of the road. In this case the sale took place and the railway is now in the hands of the Delaware and Hudson, a powerful and rich corporation. What I suggested, Mr. Carvell, but you were not present at the time, was, that it might perhaps be better for this committee to express the opinion that any subsidies paid towards the extension of this line may be charged with this amount, so that we would get the credit for it, notwithstanding the intervening of the court.

*By Mr. Ames:*

Q. Are railway subsidies the result of a contract or parliamentary act which extends over a term of years, or are they renewed each year by parliament?—A. Subsidies are always voted in this way: So much money to such a railroad for building from such a point to such a point. The work must be commenced within two years and completed within four or five. This is what is called the general subsidy vote. It is always a matter of discretion on the part of the Governor in Council, acting on the report of the chief engineer of the Department of Railways and Canals, as to what amount is to be paid.

Mr. CARVELL.—It is not a matter of contract. No corporation or company could go to the courts and compel the payment of a subsidy by the government.

Mr. BUTLER.—Exactly. That point came up in a case where it was sought to compel the government to take account of rolling stock.

Mr. CARVELL.—There is always an expressed contract for construction between the government and the party interested, and I suppose the former could incorporate in it any conditions they chose.

*By Mr. Ames:*

Q. It is a *de gratia* rather than a *de jure* grant. I suppose the construction subsidy was all paid over long ago?—A. But the other subsidies have been earned, although not yet paid. An amount lapsed and was revoted last session.

## APPENDIX No. 1

Q. You mean a subsidy for constructing a new part of the road?—A. Yes, and the money has been earned by the company.

*By the Chairman:*

Q. We could not withhold the subsidy?—A. But we do withhold the payment of subsidies.

Mr. CARVELL.—The question is, whether it would be wise to do it.

*By Mr. Ames:*

Q. Not when the court has intervened?—A. That is the only difficulty. We do withhold subsidies right along. We did so in the case of the Beersville railway.

*By the Chairman:*

Q. After the subsidy has been voted?—A. Yes, the company owed the Inter-colonial \$6,000 and the government owed them \$7,000. We deducted the former amount from the subsidy due to the company and paid over the difference.

*By Mr. Ames:*

Q. That is where a road has a continued, solvent life and has not died in the meantime, speaking financially?—A. That is right. I do not know of any case in which we have withheld the subsidy after the adjudication of a court, although there might be such a case.

Q. I do not think this debt is worth anything?—A. It is not, unless we can collect it from the subsidy. The Delaware and Hudson Company are not bothering about it.

*By Mr. Carvell:*

Q. Is this the road that Senator Bédoulet is interested in?—A. Yes, he acted for the Delaware and Hudson Company in the purchase.

Mr. CARVELL.—That transaction took place after I came to parliament.

Mr. BUTLER.—The road was only sold out about three years ago.

*By Mr. Ames:*

Q. Why did we not at that time press our claim?—A. We did. We were represented before the court, and we pressed the claim with all the force we could.

Q. And the court refused to consider it?—A. The court allowed us our proportion but it was only a trifle.

Q. And that has been paid?—A. Yes, I think so.

Mr. AMES.—I think the fact that you received a certain proportion on the dollar in the same ratio as other creditors would in itself wipe out the debt?—A. The debt does not die.

Mr. CARVELL.—It might under Quebec law, but not under our law.

Mr. BUTLER.—Not under any law.

*By Mr. Ames:*

Q. Has not the whole thing been wound up?—A. It has been wound up, and the only thing we can get control of is the subsidy.

*By the Chairman:*

Q. What is the amount of the subsidy?—A. I do not know how many miles it applies to. I think we may be paid ultimately, because the company is always looking for more subsidies.

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Q. How would it be to say that you will not give them any more?—A. It might be left as a sort of club to negotiate with and not be wiped out.

Mr. AMES.—It ought to be removed from the assets.

The CHAIRMAN.—It depends upon whether it is a valuable asset or not.

*By Mr. Ames:*

Q. We did that in the case of one other item where \$20,000 were removed in that way to special account. We did that in the case of the Quebec Turnpike Trust, we deducted it as an asset.—A. If you remove it from the list of assets, I am afraid that wipes it off.

Q. Oh, not necessarily?—A. It does not.

Mr. CARVELL.—How will you ever get it back from the company unless you keep it as an asset?

Mr. AMES.—It is only a matter of bookkeeping, the item will still be kept on the books of the government as a claim; there are millions of dollars to-day on the books of the government that are not included in the assets.

Mr. CARVELL.—Yes, transfer it to the Suspense Account.

Mr. RHODES.—Just the same as a merchant putting an item in 'Bad Debt Account.'

Mr. AMES.—Perhaps Mr. Boville will tell us the simplest and best way to deal with this.

Mr. BOVILLE.—The best way to deal with it is exactly the same as in the Quebec Turnpike Trust.—A. Put it in the Suspense Account?

Mr. BOVILLE.—No, leave it on the Balance Sheet. We do not wipe it off, but we keep it in our accounts.

*By Mr. Ames:*

Q. But you do not include it in the list of assets?

Mr. BOVILLE.—As I say, whether we take it as an asset in ascertaining the net debt or not, that is a matter for the Department of Finance, but we keep it on our books; if we have instructions from you not to take it as an asset, we will not do so.

Mr. BUTLER.—Any way you like, as long as you do not bar us from some effort to make them pay up.

Q. I would suggest that we do not take it as an asset, but that we get information from the Law Department as to whether we can deduct the amount of this debt off the subsidies which that company may earn?—A. That will be the best way to fix it. (See Exhibit ZZ.)

#### NATIONAL LABOUR CONGRESS.

Q. Mr. Butler, do you remember anything about that series of tickets that were sold from Montreal to Halifax?—A. The transaction never came before me in any way; it was when I was down east, and away from the line, and I think it was through some misrepresentations probably of an organization in Montreal; that was not done through the proper officers.

Q. Can't we get at it?—A. I think we can sue them for it, we intend to try to collect it.

Q. But they have no money anyway?—A. We will try them anyway, I do not think they will run the risk of being sued.

Q. They are not incorporated?—A. No, but I think there is an individual, we can sue the person who is responsible.



## APPENDIX No. 1

Q. Who is the person that received the goods?—A. That is a matter that Mr. Price, Assistant Passenger Agent, dealt with off his own bat; he thought he had ample authority for what he did.

Q. Cannot we have the facts? That case seems to be shrouded in mystery; somehow, we do not seem to be able to get at this matter?—A. They are not within my knowledge, but the facts can be got at.

Q. Can you not collect them and send the dossier over to us?—A. Yes, we can do that. (See Exhibit Z.)

Q. We would like to have the facts in order to know whether it can be collected or not. Now, are there any other items that we have to take into cognizance. Roughly speaking, I think we have struck about \$1,000,000 off.

Mr. BOVILLE.—I do not think it is as much as that, I have not made up a statement.

The CHAIRMAN.—That is all the evidence we require, is it not?

Mr. AMES.—I think that is all we require.

The CHAIRMAN.—Let us run over the different items and see what we have determined to strike off, in order that we may incorporate them in our report. The items we struck off the Balance Sheet are:

Item.	Assets struck off which increase net debt. \$ cts.	Liabilities struck off which decrease net debt. \$ cts.
Albert Railway Company—		
Loan account.. . . .	14,725 56	
*Bank of Upper Canada—		
Advance account.. . . .	88,699 39	
Trustee account.. . . .	150,000 00	
Current account.. . . .	29,027 35	
Liquidation account.. . . .	.....	363,889 26
Bank of Liverpool—		
Liquidation account .. . . .	2,930 69	
Canadian Pacific Railway—		
Open account.. . . .	241 67	
Exchange Bank—		
Liquidation account .. . . .	67,337 03	
Government Savings Bank—		
Defalcation account.. . . .	25,728 13	
Icelandic Immigration .. . . .	47,700 00	
Militia Paymaster.. . . .	605 49	
Printing contractor .. . . .	2,365 87	
Rails loan account.. . . .	90,355 99	
Services and Unpaid Speeches.. . . .	152 77	
Consolidated Fund—Investment Account—		
(a) Quebec Turnpike Trust.. . . .	20,000 00	
Upper Canada Bank stock.. . . .	750 00	
Intercolonial Railway—		
Advances.. . . .	75 55	
Station agents.. . . .	1,204 28	
Rents ledger.. . . .	3,479 15	(See Exhibit Q.)
I. & C. ledger.. . . .	148,714 23	(See Exhibit QQ.)
Traffic ledger.. . . .	2,284 35	
(a) Quebec Southern Railway.. . . .	25,637 33	

\*The Committee recommend that the three items, Bank of Upper Canada 'Advance Account,' 'Trustee Account,' and 'Current Account,' for \$88,699.39, \$150,000 and \$29,027.35, aggregating \$267,726.74 be struck off, and at the same time, that the item on the credit side of the Balance Sheet, 'Bank of Upper Canada, Liquidation Account, \$363,889.26' be removed from the Balance Sheet. The net result of the operation will be to decrease the debt as summed up by the Finance Department by \$96,172.52.

(a) The Committee recommend that these items although stricken from the Balance Sheet and not taken into consideration when ascertaining the net debt of the Dominion, should remain in the accounts of the Finance Department as debits against the respective debtors.

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The CHAIRMAN.—We have put down here all the items that have been struck out up to date with the exception of the contentious items.

Mr. AMES.—All except the contentious items.

The CHAIRMAN.—We have everything with the exception of those contentious items, the Harbour Commissioners, &c. Is that right?

Mr. AMES.—I do not know of anything else:

The committee adjourned.

**(1) INDEX TO EXHIBITS.**

**(2) EXHIBITS A TO ZZ.**

**INDEX TO EXHIBITS OF REPORT ON REVISION OF BALANCE SHEET  
PUBLIC ACCOUNTS, MARCH 31, 1908.**

- A**—Addendum to Balance Sheet of Dominion of Canada, Public Accounts, March 31, 1908; also, Memoranda to Sundry Assets which appear in same. (Submitted by Finance Department, April 15, 1909.) See pages 209-225.
- B**—Manitoba Swamp Lands Commission.—Statement of Expenditure and Interest. (Submitted by the Interior Department, April 15, 1909.) See page 225.
- C**—Icelandic Immigration.—Memorandum showing Icelandic assistance. (Submitted by the Superintending Accountant of the Interior Department, April 15, 1909.) See pages 226-7.
- D**—Harbour Commissioners of Montreal.—Statement of Capital Expenditure, December 31, 1908. (Submitted by Mr. Seath, Secretary-Treasurer, April 20, 1909.) See page 228.
- E**—Harbour Commissioners of Montreal.—(a) List of Debentures held by the Public; (b) List of Debentures held by the Government. (Submitted by Mr. Seath, Secretary-Treasurer, April 20, 1909.) See page 229.
- F**—Harbour Commissioners of Montreal.—Statement of Operations, December 31, 1908. (Submitted by Mr. Seath, Secretary-Treasurer, April 20, 1909.) See pages 230-31.
- FF**—Harbour Commissioners of Montreal.—Letter respecting Payment of Interest, December 31, 1907. (Submitted by Mr. Ames, M.P., April 26, 1909.) See page, 232.
- G**—Harbour Commissioners of Quebec.—Valuation Report of Real Estate Property, October 17, 1907. (Submitted by Mr. Woods, Secretary-Treasurer, April 20, 1909.) See page 233.
- H**—Harbour Commissioners of Quebec.—Valuation Report of Warehouses, Sheds, &c., November 26, 1907. (Submitted by Mr. Woods, Secretary-Treasurer, April 20, 1909.) See pages 234-6.
- I**—Harbour Commissioners of Quebec.—(a) Statement of Investment Account, March 31, 1908; (b) Statement of Interest Special Account, March 31, 1908. (Submitted by the Finance Department, April 30, 1909.) See pages 237-9.
- J**—Harbour Commissioners of Quebec.—(a) Letter respecting Cancellation of Bonds, April 22, 1909. (1) Statement of Debentures held by the Government, March 31, 1908; (2) Statement of Advances received from the Government, March 31, 1908; (3) Memorandum of Bonds sold to the Public; (b) Letter respecting Arrears of Interest, May 10, 1909; (4) Statement of Advances Received from the Government, March 31, 1909; (5) Memorandum showing Arrears of Interest due to the Government, March 31, and June 30, 1908. (Submitted by Mr. Woods, Secretary-Treasurer, May 13, 1909.) See pages 240-5.
- K**—Harbour Commissioners of Three Rivers.—(a) Statement of Investment Account; (b) Statement of Interest, Special Account, June 30, 1908. (Submitted by the Finance Department, June 15, 1909.) See pages 246-51.



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- L—Harbour Commissioners of Three Rivers**—(a) Letter, May 6, 1909, respecting Statements submitted; (1) Statement of Receipts and Expenditures on 'Revenue' Account; (2) Statement of Debentures and Disbursements on 'Capital' Account; (3) Statement of Assets and Liabilities, 1909; (4) Statement of Debt assumed by the Government in 1885, and Interest thereon to 1895. (Submitted by Mr. Balcer, Secretary-Treasurer, May 6, 1909.) See pages 252-6.
- M—Canadian Government Railways**—(a) Stores Balance—Prince Edward Island Railway; (b) Stores Balance—I. C. R., Windsor Branch; (c) Stores Balance—Intercolonial Railway. (Submitted by the Auditor General, April 28, 1909.) See pages 257-9.
- N—Prince Edward Island Railway**—(a) Stores Balance, March 31, 1908; (b) Stores Balance, March 31, 1909. (Submitted by Mr. Huggin, Accountant, P. E. I. Ry., June 12, 1909.) See page 259.
- O—Prince Edward Island Railway**—Memorandum of Post Office Department, *Re* Account, \$5,457.51. (Submitted by Mr. Glover, Accountant, April 27, 1909.) See page 260.
- OO—Prince Edward Island Railway**—Estimate to claim against Post Office Department, March 31, 1908, amount, \$5,457.51. (Submitted by Mr. Pottinger, April 30, 1909.) See pages 261-8.
- P—Prince Edward Island Railway**—Statement of Militia and Defence Department, *Re* Account, \$48.40. (Submitted by Col. E. Fiset, Deputy Minister, April 30, 1909.) See page 268.
- PP—Prince Edward Island Railway**—Memorandum showing Estimate to Claim against the Department of Militia and Defence, \$48.40. (Submitted by Mr. Pottinger, April 30, 1909.) See page 269.
- Q—Intercolonial Railway**—List of Items to be deducted from 'Rents Ledger,' \$3,479.15. (Submitted by Mr. Shannon, Comptroller, April 22, 1909.) See page 270.
- QQ—Intercolonial Railway**—List of Items to be deducted from the 'Individual and Company Ledger,' \$148,714.23. (Submitted by Mr. Shannon, Comptroller, April 30, 1909.) See pages 271-3.
- R—Intercolonial Railway**—Memorandum showing Estimate to claim against the Public Works Department, \$14,814. (Submitted by Mr. Pottinger, April 30, 1909.) See page 273.
- RR—Intercolonial Railway**—Statement of Public Works Department, *Re* Account, \$14,814. (Submitted by Mr. Hunter, Deputy Minister, May 8, 1909.) See page 274.
- S—Intercolonial Railway**—(a) Letter of Mr. L. K. Jones, May 11, 1909; (b) Statement of Balances standing of various Railways. (Submitted by the Railway Department, May 12, 1909.) See page 275.
- SS—Canadian Government Railways**—(a) Letter requesting statements from the General Manager, April 24, 1909; (b) Letter requesting statement from the Marine Department, April 23, 1909. (Submitted by the Secretary to Subcommittee.) See page 276.
- T—I. C. R. Windsor Branch**—Memorandum and Estimate to Claim against the Dominion Atlantic Railway, \$135.33. (Submitted by Mr. Pottinger, April 30, 1909.) See pages 277-80.

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- TT—I. C. R. Windsor Branch.**—(a) Letter of Dominion Atlantic Railway; (b) Letter to Management of Intercolonial Railway respecting payment of \$135.33. (Submitted by Mr. Shannon, Comptroller, May 12, 1909.) See page 280.
- U—Intercolonial Railway.**—(a) Memorandum respecting estimate to Claim against the Department of Militia and Defence, \$1,776.47; (b) Estimate to claim, \$1,776.47. (Submitted by Mr. Pottinger, April 30, 1909.) See pages, 281-4.
- UU—Intercolonial Railway.**—Statement of the Department of Militia and Defence, *Re* Account of \$1,776.47. (Submitted by Col. E. Fiset, Deputy Minister, April 30, 1909.) See page 284.
- V—Intercolonial Railway.**—(a) Stores Balance, March 31, 1908; (b) Superintendent of Third Division. (Submitted by Mr. Pottinger, April 22, 1909.) See page 285.
- VV—Intercolonial Railway.**—Statement respecting Distribution of Roadway Material, \$49,438.17. (Submitted by Mr. Burpee, Maintenance Department April 30, 1909.) See pages 286-7.
- W—Railway Department:Rails Loan.**—Copy of Order in Council respecting the Kent Northern Railway of New Brunswick. (Submitted by the Assistant Clerk of the Privy Council, May 28, 1909.) See page 288.
- X—Montreal Turnpike Trust.**—(a) Statement of Receipts and Expenditures, January 1, 1895, to December 31, 1908; (b) Statement of Assets and Liabilities, same period; (c) Statement of Commissioner's Fees, Services, &c., same period; (d) Statement respecting portions of Roads on which tolls are computed to various Municipalities. (Submitted by Mr. Galibert, Chairman of Trustees, April 30, 1909.) See pages 288-98.
- Y—Intercolonial Railway.**—(a) Letter of General Manager, *Re* Payment of Department of Marine, \$268.14, per SS. *Minto*; (b) Statement of Claim per account rendered. (Submitted by Mr. Pottinger, June 14, 1909.) See page 299.
- YY—Canadian Government Railways.**—(a) Letter to Justice Department respecting disputed accounts. (Submitted by the Secretary to Sub-committee, May 3, 1909.) (b) Letter of Justice Department respecting the disputed Accounts submitted for adjudication. (Submitted by Mr. Newcombe, Deputy Minister, May 4, 1909.) (c) Letter to Justice Department respecting disputed Account of Prince Edward Island Railway against the Post Office Department, \$5,457.51, re-submitted for adjudication. (Submitted by the Secretary to Sub-committee, June 23, 1909.) (d) Letter of Justice Department respecting Railway and Post Office Departments *Re* Account \$5,457.51. (Submitted by Mr. F. H. Gisborne, Secretary, June 29, 1909.) See pages 300-2.
- Z—Intercolonial Railway.**—Statement of Railway Department respecting Account against the National Labour Council, Montreal, \$446.40. (Submitted by Mr. Bell, Departmental Auditor, June 1, 1909.) See page 303.
- ZZ—Intercolonial Railway.**—Statement of Railway Department respecting Account against the Quebec Southern Railway, \$25,637.33. (Submitted by Mr. Bell, Departmental Auditor, June 1, 1909.) See page 303.



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	\$	cts.	\$	cts.
Calgary and Edmonton Ry., Special Account.. . . .	1,668,322	92		
Cash Suspense.. . . .	28,594	92		
Canadian Bank of Commerce, Special Account.. . .	1,099,347	58		
Canadian Northern Railway " " " " " " " "	764,519	00		
Canadian Pacific Railway, Open Account.....	241	67		
C. P. Railway Land Grand Security, Special Acct..	56,006	66		
Exchange Bank, Liquidation Account.. . . .	67,337	03		
Government Savings Bank, Defalcation Acct.....	25,728	13		
Intercolonial Railway, Open Account....	965,418	53		
" " Stores Account... . . . .	1,365,935	64		
" " Windsor Branch, Stores Acct.	49,195	40		
" " " " Open Acct.	180	34		
Icelandic Immigration.. . . .	47,700	00		
King's Printer, Stationery.. . . .	201,568	09		
Manitoba Swamps Lands Commission.. . . .	55,478	22		
Merchants Bank of Canada, Special Account.. . .	973,201	48		
Militia Paymaster.. . . .	605	49		
Prince Edward Island Ry., Open Account.. . . .	19,687	41		
" " Stores Account... . . . .	81,515	90		
Printing Contractor.. . . .	2,365	87		
Qu'Appelle, Long Lake and Saskatchewan Railway, Special Account.. . . .	1,868,524	05		
Rails Loan Account.. . . .	90,355	99		
Services and Unpaid Speeches.. . . .	152	77		
Seed Grain to Settlers.. . . .	3,999	95		
" Advances, 1895.. . . .	8,074	13		
" " 1908, Dominion Government.	314,896	41		
" " 1908, Saskatchewan Govt.....	795,236	36		
" " Alberta Government... . .	397,618	18		
Silver 20 cent pieces.. . . .	17,822	80		
			14,358,752	15
Specie Reserve.. . . .			41,689,751	31
Bank of Montreal, London.. . . .			4,964,734	31
			130,246,298	41

## SCHEDULE "A."

*Memorandum respecting Sundry Assets as shown in the Balance Sheet of the Dominion of Canada on the 31st March, 1908, and which were taken into account in arriving at the Net Debt of the Dominion viz., \$277,960,859.84.*

(1) *Sinking funds, \$42,250,209.01.*

(a) Canada Reduced 4 per cent Loan (maturing 1st January, 1910—

4 per cent stock of Canadian Securities.. . .	\$10,507,062	54
3½ " " " " " " " "	721,095	60
3 " " " " " " " "	10,590,254	06
2½ " " " " " " " "	1,917,775	54

—————\$23,736,187 74



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(b) Guaranteed Loan of 1875-8 (maturing \$1,500,000 1st October, 1910, and \$1,700,000 1st October, 1913)—

4	per cent	Stock of Canadian Securities..	\$	865,561	05
3½	"	"	.. ..	166,931	56
3	"	"	.. ..	5,438,717	23
2½	"	"	.. ..	2,271,622	51
					<hr/>
					8,742,832 35

(c) Loan of 1878-9 (matured 1st November, 1908)—

4	per cent	Stock of Canadian Securities..	\$	4,161,552	62
3½	"	"	.. ..	111,933	33
3	"	"	.. ..	648,661	59
2½	"	"	.. ..	577,001	50
					<hr/>
					5,499,149 04

(d) Loan of 1884—

4	per cent	Stock of Canadian Securities..	\$	650,558	05
3½	"	"	.. ..	3,179,362	67
3	"	"	.. ..	274,738	06
2½	"	"	.. ..	167,381	10
					<hr/>
					4,272,039 88
					<hr/>
					\$42,250,209 01
					<hr/>

The Trustees for the Sinking Fund are:—

For the Guaranteed Loan—

The Permanent Under Secretary of State, for the time being.

The Permanent Secretary of Treasury, for the time being.

For the Unguaranteed Loans—

The Receiver General of Canada; F. W. Taylor, Manager, Bank of Montreal, London; and, The Right Honourable Baron Mount Stephen.

(2) *Sundry Investments*, \$22,949,146.14.

(a) Albert Railway Company Loan Account (\$14,725.56.)

49 Vic., Cap. 10, authorized a loan to the extent of \$15,000 to above railway from Salisbury to Hopewell Cape, New Brunswick, repayable in such time and secured in such manner as the Governor in Council determined.

Order in Council of 5th October, 1886, determined the security to be by mortgage in favour of the Crown repayable on or before 1st December, 1897, with interest at the rate of 6 per cent payable every six months.

The mortgage is dated 19th October, 1886.

The line passed into the hands of the Salisbury and Harvey Railway Company by Letters Patent Provincial Charter in 1891, which was confirmed by 54-55 Vic., cap. 100, section 3, of which Act provides that no rights, &c., of any creditor against the Albert Railway Company shall be diminished or prejudiced, &c., &c.

Sold by order of the Supreme Court of New Brunswick, 15th August, 1899, and purchased by J. D. Newton, of New York.

Bill No. 35 of this session is for incorporation of the railway under the name of Salisbury and Harvey Railway Company.

Advances were made as follows:—

1886, Oct. 29 (O.C. 5th Oct., 1886) . . . . .	\$ 4,836 00
1886, Dec. 16 (O.C. 13th Dec., 1886) . . . . .	3,585 50
1887, Feb. 18 (O.C. 8th Feb., 1887) . . . . .	422 50
1887, Mar. 9 (O.C. 3rd Mar., 1887) . . . . .	2,592 81
1887, Aug. 23 (O.C. 13th Aug., 1887) . . . . .	2,341 19
1889, Mar. 2 (Letter of Credit, Department of Rail- ways and Canals) . . . . .	111 12
1889, April 4 (Letter of Credit, Department of Rail- ways and Canals) . . . . .	65 50

---

\$13,954 62

Interest on advances to 31st December, 1887, was  
charged up to the Loan Account . . . . . 770 94

---

\$14,725 56

---

Interest at rate of 6 per cent from 1st December, 1887, to 30th June, 1898,  
was charged up to Interest Special Account, amounting to \$9,264.27.

Since 1st July, 1898, the charging up of interest has been abandoned.

Arrears of interest to 31st December, 1908, amount to \$18,541.23.

(b) Consolidated Fund Investment Account (\$6,860,803.39)—

1. Stocks and Bonds of Canadian Loans which were  
originally held in the Sinking Funds of certain  
Canadian Loans matured and redeemed . . . . . \$6,704,43 74
2. Grand Trunk Railway Third Preference Stock  
£25,015, or . . . . . 121,739 65

This stock was received by the old Province of Canada under the terms of the  
Grand Trunk "Arrangement" Act of 1862 in settlement of a claim  
against the said railway and was confirmed by O.C. 18th October, 1866,  
and at Confederation was assumed, in accordance with the British  
North America Act, by the Dominion as an asset of the Province of  
Canada. This stock was at first a Fourth Preference Stock, but was  
converted, by section 11, cap. 18, Act of 1873, into Third Preference  
Stock.

It is a perpetual stock and dividends have been received on several occa-  
sions as follows:—

During year 1881 . . . . .	\$ 608 70
" 1883 . . . . .	1,643 48
" 1884 . . . . .	1,976 26
" 1902 . . . . .	1,217 40
" 1903 . . . . .	2,434 80
" 1905 . . . . .	2,434 80
" 1906 . . . . .	3,652 20
" 1907 . . . . .	3,652 20

(3) *Quebec Turnpike Trust*, \$20,000.

Advances were made by the Province of Canada on security of bonds at 6 per  
cent interest.

The average yearly revenue for 10 years to December

1898, was . . . . . \$45,910 00

The average yearly expenditure for same period was . . . . . 27,033 00

---

Available for interest charges . . . . . \$18,877 00

---

Liabilities as given in the Statement of Affairs, 14th December, 1896:—

		Interest yearly.
Privileged debentures with the public ..	\$191,200 @ 6%	\$11,472 00
Privileged debentures with the Govt. . .	6,000 @ 6%	360 00
Unprivileged debentures with the public.	249,928 @ 6%	14,995 68
Unprivileged debentures with the Govt..	52,000 @ 6%	3,120 00
Loan province of Canada.. . . . . . .	20,000 @ 6%	1,200 00
Loan provincial government.. . . . . .	13,875 @ 5%	693 75
	<hr/>	<hr/>
	\$533,003	\$31,841 43

This stock was originally bought as an investment for Indian Trust Funds. The Trust Fund was recouped by the Province of Canada and at Confederation the stock was taken over by the Dominion Government.

The bank failed about 43 years ago.

A mortgage on land in the township of Moulton. The mortgage was bought with Indian Trust Funds which Fund, was recouped by the Province of Canada. The Government took over the mortgage at Confederation.

Interest has been paid on advances to 31st December, 1906. Arrears from 1st January, 1907, to 1st January, 1909, amount to \$530,371.63. On the 31st December, 1908, the bonded debt was:—

Due the public .....	\$ 1,972,000
Due the Dominion Government...	10,055,000
	<u>\$12,027,000 00</u>

The revenue from all sources was.. . . . .	530,062 29
--	------------

The disbursements—

Expenditure on revenue account. . .	\$264,930	47	
Interest charges, 1908.. . . .	385,205	56	
			650,136 03

Debentures issued in 1908 for advances received on account of expenditure on capital account. . . .	1,680,000 00
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Expenditure on capital account in 1908.. . . .	1,551,167 09
--	--------------

Of the debentures held by the Government—

\$2,000,000 are at the rate of  $3\frac{1}{2}$  per cent.

8,055,000 are at the rate of 3 per cent.

Arrears of interest due the Government

for year 1908.. . . . .	\$291,660 06
-------------------------	--------------

Arrears of interest due the Government

prior to 1908... 238,711 57

---

530,371 63

Of the debentures held by the public—

\$700,000 are at the rate of 5 per cent.

1,272,000 are at the rate of 4 per cent.

Since taken over by the Government.

## (e) Quebec Harbour Debentures (\$4,137,956.22).

Revenue for calender year, 31st Decem-ber, 1908.. . . . .	\$106,757 98	
*Expenditure for calender year, 31st De-cember, 1908.. . . . .	96,954 56	
	<hr/>	
Excess of revenue.. . . . .		9,803 42
*This expenditure includes working expenses and 4 per cent interest on \$350,000 Quebec Harbour Bonds.		
Liabilities.. . . . .	\$4,676,388 06	
Beach and deep water lots.. . . . .	54,523 73	
Profit and loss.. . . . .	657,282 63	
	<hr/>	
		5,388,194 42
Assets.. . . . .		5,388,194 42
Advances authorized by cap. 62, 1873 ..	\$1,200,000 00	
“ “ “ 17, 1880 ..	250,000 00	
“ “ “ 47, 1882 ..	375,000 00	
“ “ “ 9, 1884 ..	300,000 00	
“ “ “ 19, 1886 ..	750,000 00	
“ “ “ 41, 1887 ..	1,260,000 00	
“ “ “ 48, 1898 ..	350,000 00	
	<hr/>	
	\$4,485,000 00	
Advanced to date.. . . . .	4,225,211 13	
	<hr/>	
Balance.. . . . .		259,788 87
Arrears of interest to 30th June last.. . . . .		2,786,368 77

The Finance Department holds bonds of the Commission to the extent of \$3,612,808.42, to bear interest at the rate of 4 per cent per annum payable from revenue from all sources after deducting expenses of collection and management, repairs and the principal (\$350,000) and interest thereon at 4 per cent on bonds issued under authority of cap. 48 of 1898.

## (f) Three Rivers Harbour Debentures (\$81,760.97).

Cap. 76, 1885, authorized \$82,000 to redeem outstanding debentures, the remainder to be applied to works. Advance of \$81,760.97 was made.

Arrears of interest to 30th June, 1908, debenture account.. . . . .	\$81,233 57	
Arrears of interest to 30th June, 1908, sinking fund account.. . . . .	28,410 06	
	<hr/>	
		\$109,643 63
Revenue for the year 1908.. . . . .	19,966 78	
Expenses on revenue.. . . . .	16,483 35	
Expenses on capital.. . . . .	\$4,324 16	
Deposit in bank, 31st December, 1908.. . . . .	8,701 39	
Cash and collections.. . . . .	1,620 03	
	<hr/>	
		14,645 58



## APPENDIX No. 1

## Liabilities, 31st December, 1908—

Debentures held by the public.. . . .	\$190,500 00
Dominion Government outstanding debentures re- deemed in 1885.. . . .	82,000 00
	<hr/>
	\$272,500 00
	<hr/>

## Assets—

Works, &c.. . . .	\$331,000 00
	<hr/>

(g) St. John Bridge and Railway Extension Company (\$433,900).

46 Vic., cap. 26, and O.C. 19th October, 1882. Interest at 4 per cent to be paid annually. The Government to have a mortgage on all property of the company. Interest has been paid regularly.

(h) Montreal Turnpike Trust (\$195,000), 3½ per cent bonds dated 1st January, 1895.

## Interest has been received as under:—

During year 1895-6, 1½ years interest.. . . .	\$10,500 00
“ 1896-7, ½ “ . . . . .	3,500 00
“ 1896-7, 34 days' interest on \$5,000....	16 30
	<hr/>
	\$14,016 30
	<hr/>

and then interest was charged up to Interest Special Account to 1st of July, 1899, to the amount of \$17,062.50 and afterwards discontinued.

Arrears to December 31, 1908, amount to.. . . . \$ 81,900 00

The *receipts* for year ended December 31, 1908, were.. \$ 48,251 79

The *disbursements* for year ended December 31, 1908,  
were.. . . . \$ 40,043 18

## Assets, December 31, 1908—

Roads, capital account.. . . .	\$220,190 32
Outstanding accounts . . . . .	3,019 09
Steam roller account.. . . .	3,323 05
Road sweepers account.. . . .	1,226 61
Profit and loss account.. . . .	49,100 81
Cash account.. . . .	2,411 45
	<hr/>
	\$279,271 33
	<hr/>

## Liabilities—

Debentures account.. . . .	\$195,000 00
Interest due Government.. . . .	81,900 00
Deposits account.. . . .	225 00
Credit Municipal Canadian.. . . .	2,000 00
Town of Outremont.. . . .	146 33
	<hr/>
	\$279,271 33
	<hr/>

(5) *Province Accounts.*

## (a) Province of Ontario Debt Account (\$1,737,190.72).

Amount of liability of Ontario adjusted to December 31, 1902, by the award of the arbitrators and accepted by Aemelius Irving for Ontario and W. D. Hogg for the Dominion.. . . .	\$1,807,986 49
Less cash deposit, 1905, made by the Ontario Government.. . . .	70,795 77
	<hr/>
	\$1,737,190 72
	<hr/>

Interest is received on this amount.

## (b) Province of Quebec Debt Account (\$1,473,609.63).

Amount of liability of Quebec as adjusted to December 31, 1902, by the award of the arbitrators and accepted by W. D. Hogg, counsel for the Dominion, and C. Lafleur, counsel for Quebec.

Interest is received on this amount.

## (c) Prince Edward Island Land Account (\$782,402.33).

Interest is deducted each year from Subsidy Account.

Moneys advanced to aid Province in carrying out provisions of their Provincial Act, 'Land Purchase Act of 1874,' for the purchase of proprietary rights in the Province.

(d) *Miscellaneous and Banking Accounts:—*

(1) Bank of Montreal, Special Account.. . . .	\$ 9,851 51
(2) " Ottawa " .. . . .	1,083,551 88
(3) " Toronto " .. . . .	1,056,629 08
(4) Canadian Bank of Commerce, Special Account.	1,099,347 58
(5) Merchants Bank of Canada, Special Account..	973,201 48

These are balances of the moneys from the proceeds of the Grand Trunk Pacific Railway Debentures, guaranteed by the Dominion, deposited to the credit of the Minister of Finance and Receiver General under section 3, article 3, of the Mortgage and Deed of Trust of the 10th June, 1905, as ratified by Parliament under 4-5 Edward VII., cap. 98.

(6) *Bank of Montreal, Special Account, \$940,000.*

(Advance on account of movement of crops.)

Balance of moneys handed to Bank of Montreal, as agents of the Dominion, for the use of various banks to aid in movement of 1907 crops. O. C. November 12, 1907.

Between the 20th November, 1907, and the 3rd January, 1908, the Minister of Finance from time to time issued and made advances of Dominion notes to the amount of \$5,315,000, the greatest amount of such notes at any time issued and outstanding, being \$5,115,000, and with respect to the greater part of the last mentioned amount, security in the form required by section 5 of the Dominion Notes Act was not held. 7-8 Edward VII., cap. 23, assented to 20th July, 1908, confirmed the above transaction.

The above amount has since been refunded and all interest charges on same paid.

## APPENDIX No. 1

(7) *Bank of Montreal Provincial Notes Suspense Account, \$28,431.33.*

Provincial notes stolen from St. Catharine's agency of Bank of Montreal.  
Amount of notes stolen, \$46,000.

The bank was allowed the privilege of covering the amount of such notes only as they are presented from time to time for redemption. The last redemption was on 30th June, 1904, \$58. 7th March, 1871.

*Memorandum.*—It is hereby agreed between the Government of the Dominion of Canada and the Bank of Montreal, that the question as to whether the Government or the bank should be held responsible for the sealed packages of provincial notes, amounting to forty-six thousand dollars, which were abstracted by burglars from the vault of the St. Catharine's agency of the bank, on the night of Monday, 11th January, 1869, should be submitted to the Hon. Chief Justice Draper for friendly arbitration, on the understanding that if the decision be given against the Government, the amount shall be charged against the Hon. Receiver General's issue account; and if given against the bank, the said bank, inasmuch as it has never received value for the notes, will only be called upon to pay the same as notes, forming the last \$46,000 of the present issue of Provincial or Dominion notes, are presented for redemption.

Dated 29th April, 1871.

In the matter of the case between the Government of Canada and the Bank of Montreal, referred to me for friendly arbitration:

After the best consideration in my power of all the papers put before me, together with the case drawn up and signed on the part of the bank by the general manager, and on the part of the Government by the Honourable the Minister of Finance, I find as follows:—

1st. That the issue and redemption of provincial notes was undertaken by the Bank of Montreal, under and by a contract with the Government, and was a beneficial contract to the bank, and was founded upon considerations which extended to each and every part of the bank's engagement, which included the safe-keeping of the provincial notes.

2nd. That the bank was not limited or restricted in the use or issue of the provincial notes delivered to them. If occasion called for it, they might issue the whole.

3rd. That owing to a want of care in keeping the keys of the vault after banking hours, the stealing of notes was facilitated.

4th. That the bank virtually acknowledged its liability by crediting the Receiver General with the amount of the stolen notes.

5th. That the officers of the bank, who were also made officers under the Receiver General, were not entrusted with the safe-keeping of the notes and could exercise no control over their issue.

And I do adjudge, order and award, that the Bank of Montreal is answerable and liable to account for, and make good to the Government of Canada, the amount of forty-six thousand dollars, being the sum, in provincial notes, held by the said bank, under their agreement to act as agents for the Government for the issue and redemption thereof, and which part was stolen from the vault of the said bank of St. Catharines on or about the eleventh day of January, 1869.

And I do further award, order and adjudge, and determine, that the said bank do account for, and make good to the Government the said amount of provincial notes as if the same had been duly issued according to the true meaning and intention of the said arrangement for the issue and redemption of provincial notes.

(Sgd.) WM. H. DRAPER.

8-9 EDWARD VII., A. 1909

BANK OF MONTREAL,  
MONTREAL, 16th March, 1882.

MY DEAR SIR,—I had noticed in the public prints the reference by the Subcommittee of the Public Accounts Committee, to the item of \$46,000, respecting the robbery of provincial notes from the agency in St. Catharines, in the year 1869, and was, therefore, not unprepared to receive your letter of yesterday.

While the main features of the arrangement, as given in your letter, accord with our own records and knowledge of it, there is one important point on which, I think, a different view may be taken. The last clause of the agreement reads as follows:—

‘And if given (i.e., the arbitration of Chief Justice Draper) against the said bank, inasmuch as it has never received value for the notes, will only be called upon to pay the same, as the notes forming the last \$46,000, of the present issue of provincial or Dominion notes, are presented for redemption.’ From this it seems to me quite clear that the question of the particular notes stolen does not come in at all and therefore their denominations are of no consequence, and that the bank can only be called upon to pay anything, as the last \$46,000 of that issue are redeemed by the Government, and as the statement in your letter gives \$91,623, as still outstanding, it follows that as yet there is still no claim against the bank.

In consequence, however, of the large amount of \$500 notes shown to be still outstanding, I have to-day had our treasury carefully gone over, and find that we hold amongst our Government notes here no less than \$34,500 of provincial notes, out of which \$3,000 are of the Toronto issue, and the remainder of Montreal. We propose now to send them to the Deputy Receiver General for exchange for Dominion notes, and if the arrangement is based on the Montreal issue only, the bank would then owe the Government \$5,877.

Thus, amount outstanding per your statement. . . . .	\$91,623
To be sent in for redemption by Bank of Montreal. . . . .	51,500
	<hr/>
	\$40,123
Amount of notes stolen. . . . .	46,000
	<hr/>
Amount now to be accounted for by bank. . . . .	\$ 5,877
	<hr/>

In this calculation, as you will notice, I have assumed that the arrangement referred only to the Montreal issue, but I do not know the grounds on which you restrict it to that. So far as we know, the package of stolen notes embraced more than that issue, and the agreement designates the ‘area’ as the ‘present issue of Provincial or Dominion notes.’ I might, therefore, ask you to see how the account would stand from that point of view, taking our amount of notes, to be sent in now, as the total on hand here of \$54,500.

Awaiting your reply,

I am, my dear sir,

Yours very truly,

W. J. BUCHANAN,

*General Manager.*

J. M. COURTNEY,  
Deputy Minister of Finance,  
Ottawa.



## APPENDIX No. 1

(8) *Bank of Liverpool Liquidation Account* (\$2,930.69).

This bank failed in 1869.

The Government had on deposit as an investment account. \$30,000 00

The Government had a current account of. . . . . 54,996 73

\$84,996 73

Amount recovered. . . . . 82,066 04

Balance. . . . . \$ 2,930 69

(9) *Cash Suspense* (\$28,594.92).

At the close of the year 1907-8 sundry Departments found themselves not in the position to pay the King's Printer and the Stationery Office for work done for them during 1907-8 out of their appropriations for that year. So far as the departments were concerned the moneys had to be met out of 1908-9 appropriations. The King's Printer and the Stationery Office were given credit for the value of the work done and Cash Suspense Account was charged with the amount as ending the year 1907-8 account. The amounts in question were:—

King's Printer. . . . . \$25,995 35

Stationery Office. . . . . 1,632 14

\$27,627 49

which, deducted from \$28,594.92, would leave \$967.43, which represents uncurrent coin, such as English pennies, &c., which are charged up to this account until sufficient to warrant recoining.

(10) *Canadian Pacific Railway Land Grant Security Account* (\$56,006.66).

This amount was deposited in trust with the Bank of Montreal for the Receiver General at the time the Dominion assumed their loan of 1888 for £3,093,700 0s. 0d., on the 10th July, 1906.

Under authority of section 3 of chap. 32, 51 Vic., the Dominion Government guaranteed bonds of the Canadian Pacific Railway Company to the extent of \$15,000,000. The company issued bonds to the extent of £3,093,700. When the company had, under the agreement set forth in the schedule to the above Act, deposited with the Receiver General the amount of \$15,000,000, from the sale of lands from time to time, the Dominion assumed the indebtedness of £3,093,700 loan, but which at 9½, the government standard rate of exchange, would amount in currency to \$15,056,006.66. The Canadian Pacific Railway deposited this balance with the Bank of Montreal as mentioned above, to be held by the bank until such time as the courts determined whether such amount was still due the Government. The Department of Justice has the affair in hand and it is hoped to have the matter settled before long.

(11) *Exchange Bank Liquidation Account* (\$67,337.03).

This bank failed in 1883. Head office, Montreal, Quebec.

The Government held in this bank for investment. . . . \$200,000 00

The Government held in this bank on current account. . . 37,840 24

Total. . . . . \$237,840 24

Recovered. . . . . 170,503 21

Balance as above. . . . . \$ 67,337 03

(12) *Specie Reserve* (\$41,689,751.31).

Coin held at various Assistant Receiver General's offices and in the vaults of the Finance Department.

The combinations of each vault are held by two officers jointly.

Inspection is made frequently by various officers of the Finance Department.

Information as to the amounts held at the various offices can, if desired, be given, but it has been deemed wise, for the sake of fuller security, to refrain from giving undue publicity as to the amount at any one given point.

(13) *Rails Loan Account* (\$90,355.99).

(Vide Public Accounts of 1908, Part 1, page 123.)

In 1888 used iron rails, under authority of 51 Vic., Cap. 3, were handed over to various railroads. The undermentioned roads have not yet paid for such rails:—

	Tons of used Rails.	Value.
Kent Northern Railway of New Brunswick	2,549	\$58,334 27
Halifax Cotton Company siding. . . . .	233	4,335 00
Albert Railway Company. . . . .	958	14,665 45
Canada Steel Company. . . . .	597	11,964 66
Low, Reid & Company. . . . .	52	1,056 61
		<hr/>
		\$90,355 99
		<hr/>

(14) *Seed Grain to Settlers* (\$3,999.95).

On a report from the Minister of the Interior, stating that there were a great many individual cases where settlers had suffered a total loss of crops during the season of 1899 and were without the means of procuring seed for the spring sowing, an Order in Council, dated 20th March, 1890, was passed, that Parliament be asked to provide for an expenditure of \$30,000 for the purchase and distribution of seed grain to meet such cases, and that of this amount \$750 be appropriated for seed for distribution among the Crofters who settled during the past season in the neighbourhood of Saltcoats. A vote for \$31,500 was granted.

Advances were made to the extent of \$32,222.62.

Repaid to 31st December, 1908, \$29,421.25.

Liens on the settlers' homesteads in favour of the Minister of the Interior were taken, covering the cost of the grain advanced, bearing interest at 6 per cent per annum up to 6th September, 1905, and at 5 per cent since that date. No patents are issued until the seed grain indebtedness has been paid.

(15) *Seed Grain Advances, 1895, (\$8,074.13).*

In 1895, a Supply Act provision was made, Vote No. 80, to pay for the purchase and distribution of seed grain to needy settlers resident in the Northwest Territories, chiefly in the District of Assiniboia. (To cover Governor General's Warrant, \$50,000) \$55,000.

The advances were made upon the security of a bond. This security was considered better adapted to the purposes of the Department than any of the old forms inasmuch as it would operate as a lien where the homestead had not been recommended, and as a bond in cases where the recommendation has issued.

(16) *Services and Unpaid Speeches* (\$152.77).

Of this amount \$101.35 is on account of services, a balance carried forward since July 1, 1883. The balance, \$51.42, represents speeches supplied members and not paid for.

## APPENDIX No. 1

(17) *Calgary and Edmonton Railway, Special Account (\$1,668,322.92).*

The above company was incorporated by Chap. 84 of the Statutes of 1890 and in the same year a land subsidy of 6,400 acres per mile was granted to the company.

On the 21st June, 1890, a contract for a period of 20 years was entered into, (under authority of Cap. 5 of the Statutes of 1890), between the Government and the company for the transport, without delay, of all mails, supplies, and materials of every description required for the public service in both directions between the town of Calgary and a point on the North Saskatchewan at or near Edmonton, and in both directions to and from intermediate points between Calgary and the point on the North Saskatchewan aforesaid; such carriage to be upon the requisition of an Officer from time to time designated by the Government. And the Government, for such services, to pay a subsidy of \$80,000 a year. By this agreement, it was stipulated that in case the amount earned by the company for services did not amount to the sum paid as subsidy, the Government should retain one-third of the land grant earned on the land between Calgary and Edmonton as a first charge and lien towards securing the repayment of such deficiencies.

A complete adjustment of account, comprising all transactions entered into or made between the Government and the company under this agreement, shall be made every year and interest, if any, shall be computed at the rate of four per centum per annum upon each annual deficit from date of such deficit, until the amount due the Government is paid.

The first half-yearly payment of the subsidy was made in January, 1892, and the last payment accrues on the 1st July, 1911.

There has been paid to date the sum of \$1,400,000 out of a total of \$1,600,000 payable. The earnings of the road to date amount to \$154,203.24.

(18) *Canadian Northern Railway, Special Account (\$764,519).*

Chap. 57, Act of 1899, ratified an agreement made between the Lake Manitoba Railway and Canal Company and the Winnipeg Great Northern Railway Company (formerly the Winnipeg and Hudson Bay Railway Company) for amalgamation under the name of the Canadian Northern Railway Company.

In accordance with Chap. 5, Act of 1895, an agreement dated 5th February, 1896, was made between the Government and the Lake Manitoba Railway and Canal Company, similar to the one stated above in connection with the Calgary and Edmonton Railway, a cash subsidy of \$40,000 per annum being authorized in this agreement for like transport between Portage la Prairie or Gladstone and Lake Dauphin or thereabouts.

Also a transport agreement was made, on the 12th May, 1896, with the Winnipeg Great Northern Railway Company (formerly the Winnipeg and Hudson Bay Railway Company) for the like transport between Lake Dauphin or thereabouts and the Saskatchewan river.

Consequent upon the amalgamation of these two companies under the name of the Canadian Northern Railway Company, these cash subsidies, amounting to \$80,000 per annum are now paid to the said Canadian Northern Railway Company.

The first half-yearly subsidy became due 1st March, 1898, and 1st February, 1901, respectively, and the last payments accrue on the 1st March, 1917, and the 1st February, 1920, respectively.

There has been paid to date the sum of \$800,000 out of a total of \$1,600,000 payable. The earnings of the road to date, for services performed, amount to \$105,269.20.

(19) *Qu'Appelle, Long Lake and Saskatchewan Railway, Special Account* (\$1,868,524.05).

Under Chap. 60, 48-49 Vic., and Chap. 23, 51 Vic., the above company received a land grant of 6,400 acres per mile of their railway.

Chapter 5, 52 Vic., 1889, authorized the Government to enter into a contract with the company for the transport of men, supplies, materials and mails for 20 years.

An agreement was made, dated 5th August, 1889, similar to the one stated above in connection with the Calgary and Edmonton Railway, a cash subsidy of \$30,000 per annum being authorized in this agreement for the carriage of mails, &c., from Regina to Prince Albert.

The first half-yearly subsidy was paid to 31st December, 1890, being \$25,000 on the road from Regina to Saskatoon (as provided by Cap. 5, 52 Vic., 1889), and \$6,575.34 on the Prince Albert section from 12th October to 31st December, 1890, or in all \$31,575.34.

The last payments accrue, \$40,000 on the 30th June, 1910, on the part of the road from Regina to Saskatoon, and \$40,000 on that part of the road from Saskatoon to Prince Albert.

There has been paid to date the sum of \$1,471,575.34 out of a total of \$1,551,575.34 payable.

The earnings of the road to date for services performed, amount to \$96,650.78.

(20) *Bank of Upper Canada, Advance Account* (\$88,699.39).

The bank failed in 1866.

On 1st August, 1870, the Government took over the estate from the trustees.

The Assets and Liabilities, as taken over by the Government, amounted to:—

Assets, \$1,590,254.34, and liabilities, \$3,404,888.03, as under:—

*Assets.*

## Bank Balances—

Bank Balances.. . . . .	\$ 3,409 87
“ Toronto.. . . . .	947 01
“ Commerce.. . . . .	260 71
	<hr/>
	\$ 4,617 59
Bills and securities, new.. . . . .	19,621 23
Mortgages, new.. . . . .	72,454 31
Mortgages, Suspense Account.. . . . .	64,419 33
Bonds, debentures, &c.. . . . .	10,640 67
Real estate.. . . . .	311,503 53
Real Estate Trust Account.. . . . .	184,612 50
Bills, Judgments, &c., old.. . . . .	649,534 02
Suspense Account.. . . . .	1,219 64
Irrecoverable debts.. . . . .	271,631 52
	<hr/>
	\$1,590,254 34
Profit and loss account.. . . . .	1,814,633 69
	<hr/>
	<u>\$3,404,888 03</u>



## APPENDIX No. 1

*Liabilities.*

Receiver General.. . . .	\$1,122,639 10
Glynn & Co.. . . .	74,416 20
Mortgages, advance account.. . . .	150,000 00
A. Dobbie.. . . .	260 10
Trustees' certificates.. . . .	55,861 43
Bank notes in circulation.. . . .	43,301 50
Current account balances.. . . .	4,511 56
Deposit receipts.. . . .	7,243 21
Drafts, &c., outstanding.. . . .	6,809 93
Capital stock account.. . . .	1,939,845 00
	<hr/>
	\$3,404,888 03

This account represents redemption of Bank of Upper Canada notes and expenses generally.

On the credit side of the Balance Sheet is the Bank of Upper Canada Liquidation Account (\$363,889.26), representing proceeds from the assets of the bank.

Taking the net results of the debit and credit accounts, viz.:—

<i>Debits.</i>	<i>Credits.</i>
\$ 88,699 39	\$363,889 26
150,000 00	
29,027 35	
<hr/>	<hr/>
\$267,726 74	\$363,889 26
	267,726 74
	<hr/>
	\$ 96,162 52

there is a balance of \$96,162.52 in favour of the Bank of Upper Canada to be applied to the \$1,150,000.01, which appears on the debit side of the balance sheet against the Bank of Upper Canada, but which is not taken into account in arriving at the net debt. This \$1,150,000.01 was a debt due the old province of Canada by the Bank of Upper Canada, and was assumed by the Dominion at Confederation.

(21) *Bank of Upper Canada Trustee, Advance Account (\$150,000).*

O. C. 1st July, 1870, authorized the Minister of Finance to arrange a credit to be given to the Trustees of the Bank of Upper Canada for \$150,000. (The Bank of Montreal advanced this sum without interest charges, the Trustees holding good mortgages bearing 7 per cent on which payments had been made).

This advance was made in order to facilitate the settlement of claims against the Bank before the trust should be assumed by the Government on the 1st August, 1870.

(22) *Bank of Upper Canada, Current Account (\$29,027.35).*

Amount of Entry, Warrant No. 1 of 1869, being amount at debit of the Bank of Upper Canada in the cash statement, as available when it was not, and charged at the time to Cash Suspense Account, but, on the 30th June, 1883, transferred to the above account.

(23) *Canadian Pacific Railway, Open Account (\$241.67).*

A defalcation at St. Boniface station by agent (vide Exhibit E., Report of the Select Standing Committee on Public Accounts, 1882.).

(24) *Government Savings Bank, Defalcation Account (\$25,728.13).*

Agency.	Agent.	Date	Default.	Stolen.	Recovered	Balance.
Sydney . . . . .	J. Kavanagh . . . . .	1880..	\$ 7,839 25		\$ 850 00	\$ 6,989 25
Liverpool . . . . .	A. J. Campbell . . . . .	1880..	3,268 17		66 27	3,201 90
New Glasgow . . . . .	J. D. Copeland . . . . .	1880..	627 00		609 66	17 34
Little Glace Bay . . . . .	S. Macdonald . . . . .	1880..	3,048 13		1,377 00	1,671 13
Annapolis . . . . .	H. H. Van Blarcom . . . . .	1881..	15,646 50		3,164 90	12,481 60
Truro . . . . .		1881..		250 00		250 00
New Westminster . . . . .	G. Pittendrigh . . . . .	1886..	4,706 15		4,082 79	623 36
Bathurst . . . . .		1886..		445 00	170 00	275 00
Quebec . . . . .		1886..		80 00		80 00
Victoria, B.C. . . . .	K. A. Finlayson, Sav. Bank Teller.	1898..	1,185 00		1,046 45	138 55
			\$36,320 20	\$ 775 00	\$11,367 07	\$25,728 13

(25) *Intercolonial Railway, Open Accounts (\$965,418.53).*

(For the details of this amount vide Public Accounts, 1908, Part III., page 58).

(26) *Intercolonial Railway, Stores Account (\$1,365,935.64).*

Cap. 59, Edward VII. (1903) provides for advances, out of Consolidated Revenue Fund, to the Minister of Railways and Canals for obtaining all necessary stores for Government railways, to the extent of:—

Intercolonial Railway . . . . .	\$1,500,000
Prince Edward Island Railway . . . . .	100,000

(27) *Intercolonial Railway, Windsor Branch, Stores Account (\$49,195.40).*

This account is a subhead of the Intercolonial Railway Stores Account. The Windsor Branch from Windsor to Windsor Junction is maintained by the Government who receive one-third of the receipts.

(28) *Intercolonial Railway, Windsor Branch, Open Account (\$180.34).*

This amount is really a stores account and will be written off to stores in closing 1908-9 accounts.

(29) *Icelandic Immigration (\$47,700).*

Advances were made in 1877 to a colony of Icelanders. (Mr. Beddoe, Accountant of the Interior Department, is collecting the information *re* this item.)

(30) *King's Printer, Stationery (\$201,568.09).*

Advances to King's Printer for Stationery stock.

(31) *Manitoba Swamp Lands Commission (\$55,478.22).*

Expenses incurred in surveying, &c., &c., before handing these lands over to the Manitoba Government.

The above amount will be deducted, under authority of O. C. of 31st May, 1890, from the next half-yearly subsidy payable to the province of Manitoba.

(32) *Militia Paymaster (\$605.49).*

Defalcation of Paymaster Hyndman of Montreal, in 1872.

The defalcation originally amounted to \$3,676.35, all of which, with the exception of the above amount, \$605.49, was afterwards recovered from his surety.

(33) *Printing Contractor (\$2,365.87).*

Amount owing by printing contractor since 1877.

## APPENDIX No. 1

(34) *Prince Edward Island Railway, Open Accounts* (\$19,687.41).

(For fuller details of this amount vide Public Accounts, 1908, Part III., page 70.)

(35) *Prince Edward Island Railway, Stores Account* (\$81,515.90).

Cap. 59, 3 Edward VII. (1903), provides for advance out of Consolidated Revenue Fund to the Minister of Railways and Canals for obtaining all necessary stores for Government Railways to the extent of:—

Prince Edward Island Railway.....	\$ 100,000
Intercolonial Railway.....	1,500,000

(36) *Seed Grain Advances 1908, Dominion Government* (\$314,896.41).(37) *Seed Grain Advances, 1908, Saskatchewan Government* (\$795,236.36).(38) *Seed Grain Advances, 1908, Alberta Government* (\$397,618.18).

Mr. Beddoe, Accountant of the Interior Department, is preparing a statement concerning these advances.

(39) *Silver 20 cent pieces.*

Silver 20 cent pieces collected to be recoined. This account is also charged with worn silver to be recoined. From this it will be known as 'Worn Silver Account,' as the bulk of it is worn silver.

(40) *Bank of Montreal, London.*

Cash to our credit in current account with the Bank of Montreal in London.

## 3. PROVINCE ACCOUNTS.

(d) *Province of Nova Scotia Debt Suspense Account* (\$40,502.81).

At Confederation there were sundry provincial notes of Nova Scotia outstanding. The Province claimed that they should be debited with these notes, only as they came in, so the amount outstanding, equal to \$60,585.91, was debited to the above Debt Suspense Account and credited to provincial notes, Nova Scotia, on account on the credit side of the Balance Sheet.

As the notes come in they are adjusted into the province of Nova Scotia Debt Account.

The last redemption of these notes was in January, 1909, \$33.04.

## EXHIBIT B.

## PUBLIC ACCOUNTS BALANCE SHEET (PAGE 6).

*Manitoba Swamp Lands Commission, \$55,478.22.*

The above amount is made up of the expenditure and interest in connection with Swamp Lands in Manitoba, as follows:—

Year.	Expenditure.	Interest.	Total.
1903-04 .....	\$ 10,201 00	\$ 1,694 99	\$ 11,895 99
1904-05 .....	10,913 64	889 72	11,803 36
1905-06 .....	10,222 93	1,425 32	11,648 25
1906-07 .....	6,791 25	1,447 06	8,238 31
1907-08 .....	9,514 20	2,378 11	11,892 31
	\$ 47,643 02	\$ 7,835 20	\$ 55,478 22

## EXHIBIT C.

## ICELANDIC IMMIGRATION.

## MEMORANDUM.

The total immigration expenditure on account of the Icelanders, for advances and assistance, from 1875 to 1878, inclusive, was much larger than that stated in the letter of Mr. Courtney, the amount being \$84,471.71.

The payments consisted of allowance of transport, advances for provisions, and costs of settlements at the Icelandic colony at Gimli, on Lake Winnipeg, the site of which was selected by their representative on very strong recommendations of Mr. McTavish, Hudson Bay factor or commissioner, subsequently appointed Land Commissioner of the Canadian Pacific Railway. The supplies were furnished through Mr. Hespeler, the Government Immigration Agent, Governor Morris, Mr. John Taylor, Icelandic agent, and, at the beginning, by Mr. McTavish by advances by the Hudson Bay Company. It thus became difficult to distinguish what should be defined as 'Assisted Immigration' and 'advances to be repaid.'

Mr. John Taylor, the agent, who had charge of the accounts, has since died.

There were three sets of advances: one to assist the colonists to go to Gimli on first arrival in the fall of 1876, to Icelanders at Gimli, and one in April, 1877, to relieve distress consequent on the small-pox calamity at Gimli, which commenced in the early part of the winter, in November, 1876. Some particulars relating to these advances are explained in a memorandum by the secretary of the Department of Agriculture, and an order written thereon by Mr. R. W. Scott, acting for the Minister of Agriculture, dated September 23rd, 1876, and in an Order in Council, dated April 13th, 1877, copies of which are sent herewith.

Obligations were taken on the buildings, improvements and live stock at the Gimli settlement for part of these advances. That colony, in 1876, was on the whole very flourishing, and exhibited proofs of marked success, although there were many poor among the Icelanders, who had continued to come to Canada.

Lord Dufferin visited Gimli in 1876, as did also the then Minister of Agriculture, Mr. Pelletier, and his colleague Mr. Mills. Very great hopes were then expressed relating to the success of the colony.

It happened, as stated, in the early part of the winter of 1876, smallpox broke out, a fact which created the greatest alarm in Winnipeg, and led to a most cruel quarantine of isolation by the Manitoba government, enforced by an armed *cordon sanitaire*.

There were no winter roads between Gimli and Winnipeg, communication having been by river and lake in the summer. The colonists were deprived of opportunity, by the quarantine, of obtaining work or provisions or finding a market for any of their property. The consequence was that the sufferings and deaths were frightful.

The calamity was followed by another, in the form of a flood in the spring, which broke up the colony. Many of the Icelanders who came through the smallpox calamity of the winter, and who had given obligations on their property, scattered to other parts of the province, when communications opened in the early summer of 1877.

Mr. John Taylor, the Icelandic agent who had charge of the accounts, also joined those who fled from Gimli, and went to settle at Carberry. Some of the settlers, however, remained at Gimli and much property was left behind; but the colony was practically broken up.



## APPENDIX No. 1

After 1877, the flood subsided and did not recur. The buildings and improvements at Gimli were then used for the temporary accommodation of Icelandic immigrants who continued to come to Canada in considerable numbers, on the good reports made by the first settlers, as to the suitability of the country for them. This continued Icelandic immigration, year after year, soon formed an important part of the population of the province of Manitoba. The Icelanders were much desired as immigrants, they having proved themselves to be in every way most suitable settlers.

In these circumstances, in 1884, when the late Mr. J. H. Pope, was the Minister of Agriculture, he desired to have the whole of the Icelandic advances treated simply as immigration expenditure, for which it was found very substantial value had been received by the Dominion, and also in view of the unsatisfactory and for the most part impossible state of the securities in the circumstances I have stated.

Mr. Pope desired me to consult Sir Alexander Campbell, who was then Minister of Justice, in order to ascertain whether there was any way open by which his department could remit the claim for Icelandic indebtedness.

Sir Alexander gave it as his opinion that the government had no authority to remit any indebtedness whatever in any circumstances whatever, without the authority of parliament. But he advised, in view of the representations made to him, that no demands should be made for payment, and the matter be 'simply left to slide.' This advice was adopted and no further action has since been taken in the matter by this department.

The Icelandic advances, so called, although frequently referred to as a loan, had no single feature of resemblance to the Mennonite loan which has been repaid.

(Sgd.) J. LOWE,

*Deputy Minister of Agriculture.*

DEPARTMENT OF AGRICULTURE,  
OTTAWA, June 10, 1895.

Submitted by the superintending accountant of the Interior Department, April 15, 1909.

## EXHIBIT D.

## HARBOUR COMMISSIONERS, MONTREAL.

STATEMENT of Capital Expenditure as appearing in the Books of the Secretary-Treasurer on 31st December, 1908, on account of which Debentures have been issued.

New steel sheds. . . . .	\$3,354,158 34
Harbour enlargement, wharfs, piers and dredging..	1,601,879 79
Harbour of Montreal, general account.. . . .	1,487,797 48
Windmill Point wharfs.. . . .	918,562 34
Harbour dredging.. . . .	853,554 34
Hochelaga construction.. . . .	745,576 22
Grain elevator No. 1.. . . .	726,074 55
Harbour railway tracks, &c.. . . .	514,018 93
Windmill Point basin, blasting and dredging.. . . .	387,636 65
Guard pier (Mackay pier).. . . . .	319,156 81
Harbour plant.. . . .	314,114 14
Raising Windmill Point wharf.. . . .	275,588 56
Grain elevator conveyor equipment.. . . .	239,519 76
Dredging ship channel through harbour.. . . .	228,937 66
Concrete wharf, sections 35 and 36.. . . .	221,210 84
Concrete wharf, sections 23 and 24.. . . .	126,130 57
Concrete wharf, Longue Pointe.. . . .	115,409 91
Floating crane on account.. . . .	90,662 19
Harbour building.. . . .	82,656 90
Concrete wharf, section 27.. . . .	78,987 42
Harbour enlargement, dredging.. . . .	75,384 37
Spoil banks, dredged material.. . . .	64,664 41
Victoria pier, rebuilding and paving.. . . .	60,361 52
Three locomotives.. . . .	42,612 32
Harbour yard and buildings.. . . .	37,632 87
Channel through Hochelaga shoal.. . . .	12,365 54
Dominion coal wharf.. . . .	9,453 48
Foot bridge, Victoria pier.. . . .	8,431 44
Wharf, Longue Pointe (asylum) . . . . .	7,886 27
Pile wharf, section 21.. . . .	7,403 02
	<hr/>
	\$13,007,828 64

DAVID SEATH,

*Secretary-Treasurer.*

MONTREAL, April 19th, 1909.

**EXHIBIT E (a).****LIST OF HARBOUR DEBENTURES, HELD BY THE PUBLIC.**

Series.	Due.	Amount.	Interest.
		\$ cts.	Per cent.
"A".....	5th July, 1910.....	100,000 00	5
"B".....	5th July, 1913.....	200,000 00	5
"C".....	5th July, 1914.....	200,000 00	5
"D".....	5th July, 1915.....	100,000 00	5
"E".....	5th July, 1915.....	100,000 00	5
"F".....	5th July, 1917.....	235,000 00	4
"G".....	5th July, 1918.....	300,000 00	4
"H".....	5th July, 1921.....	330,000 00	4
"J".....	5th January, 1924...	407,000 00	4
		1,972,000 00	

**EXHIBIT E (b).****LIST OF HARBOUR DEBENTURES, HELD BY THE GOVERNMENT.**

Series.	Due.	Amount.	Interest.
		\$ cts.	Per cent.
"K".....	1st July, 1921.....	2,000,000 00	3½
"L".....	1st July, 1926.....	1,890,000 00	3
"M".....	1st July, 1927.....	935,000 00	3
"N".....	1st July, 1929.....	3,000,000 00	3
"P".....	1st July, 1931.....	250,000 00	3
"S".....	1st July, 1932.....	1,980,000 00	3
		10,055,000 00	





## APPENDIX No. 1

Total disbursements,.....	2,270,668 24
Bank of Montreal, overdraft at 31st December, 1907.....	299,928 64
	<u>2,570,596 88</u>
Less payable, 31st December, 1908—	
Interest accrued and coupons outstanding,.....	572,838 13
Outstanding accounts,.....	73,939 63
	<u>646,777 76</u>
Less amount deducted in statement of 1907 for interest, etc.,.....	307,806 94
	<u>338,970 82</u>
Balance at 31st December, 1908, cash on hand, \$1,485 87	
Bank of Montreal, coupon account.....	185 00
" " current account.....	31,231 74
Discount on Debenture H and J.,.....	32,902 61
Sundry accounts receivable,.....	12,793 03
Value of materials in stock,...	145,546 58
	<u>120,323 15</u>
	<u>311,565 37</u>
	<u>2,543,191 43</u>

Verified—RIDELL, STEAD, GRAHAM & HUTCHINSON, C.A.,  
Auditors.

(Signed) DAVID SEATH,  
Secretary-Treasurer.

8-9 EDWARD VII., A. 1909

## EXHIBIT FF.

HARBOUR COMMISSIONER'S OF MONTREAL, SECRETARY'S OFFICE,  
MONTREAL, April 23, 1909.

H. B. AMES, Esq., M.P.,  
Ottawa.

DEAR SIR,—Since I saw you on Tuesday last, the Commissioners have paid the Government \$238,711.57 for interest on debentures to the 31st December, 1907. When the bill to authorize the Commissioners to obtain an advance on loan to cover interest paid during construction (of which Hon. Mr. Fielding has given notice in the House) is passed, and the loan received, the Commissioners will then have the funds necessary to pay the Government all interest due.

Yours obediently,

DAVID SEATH,  
*Secretary.*

## APPENDIX No. 1

## EXHIBIT G.

## STATEMENT OF VALUATION OF REAL ESTATE PROPERTY.

QUEBEC, P.Q., October 17, 1907.

J. B. LALIBERTÉ, Esq.,  
Chairman, Quebec Harbour Commissioners,  
Quebec, P.Q.

DEAR SIR,—Conforming to your request of the 15th instant, that we examine and appraise the property of the Quebec Harbour Commissioners covered by schedule submitted with your letter, would say that we have carefully examined the property as covered by said schedule and beg to report as follows:—

## 1st Division—

Princess Louise Docks, including East Indian, Grand Trunk  
and Wellington and Atkinson wharfs, 2,154,333 sq. ft. at  
\$2.25 . . . . . \$4,847,249 25

## 1 A Division—

Out and inside basins, 2,178,000 sq. ft. at 30c. . . . . 653,400 00

## 2nd Division—

South side St. Charles River, 935,000 sq. ft. at 10c. . . . . 93,500 00

## 3rd Division—

North side St. Charles River, 620,000 sq. ft. at 5c. . . . . 31,000 00

## 4th Division—

Foreshore of River St. Charles north of Louise embankment  
4,051,080 sq. ft. at 25c. . . . . 1,012,770 00

## 5th Division—

Beauport Beach from Jones Long wharf to Beauport River,  
25,090,560 sq. ft. at 2c. . . . . 501,811 20

## 6th Division—

Beauport Beach from River Beauport, Montmorency Falls,  
37,461,600 sq. ft. at 1c. . . . . 374,616 00

## 7th Division—

Reynars Wharf, 20,285 sq. ft. at \$2. . . . . 40,570 00  
Ottawa Cove, 208,160 sq. ft. at 15c. . . . . 31,224 00  
St. Lawrence River front, Victoria Cove to Cap Rouge, 77 acres . . . . .  
at \$100. . . . . 7,700 00

---

\$7,593,840 45

The above figures do not include building, machinery, tools, dredges, &c., &c.,  
All of which is respectfully submitted,

(Sgd.) E. J. CHAMBERLIN,  
JOHN SHARPLES,  
J. M. McCARTHY.

Certified copy of original,  
JAS. WOODS,  
Sec.-Treas.

## EXHIBIT H.

STATEMENT OF VALUATION OF WAREHOUSES, SHEDS, &C.,  
QUEBEC, November 26, 1907.

To the Chairman and Members of the Quebec Harbour Commissioners,  
Quebec.

GENTLEMEN,—Following the instructions given us by your secretary-treasurer, in his letter of the 21st October last, we at once proceeded with, have completed and now submit the valuation that we have made of the Quebec Harbour Commissioners warehouses, stores, landing sheds, and other sundries as enumerated and described in the schedule furnished to us by the chief engineer.

We now with this, annex a copy of the plan of the properties of the Commissioners, giving all the warehouses, &c., with their numbers and the places that they occupy.

We have taken the stores in the general order enumerated beginning with the store No. 1 to No. 36 inclusive, and taking into account in valuing these stores, their position, value of labour, material, &c., in the order as shown in the schedule, the whole valuation amounting to \$627,799.76.

We remain, Gentlemen,

Your obedient servants,

(Sgd.) F. X. BERLINGUET,  
*Architect and C.E.*

A. H. LAROCHELLE.  
*Engineer and A.*



## APPENDIX No. 1

REPORT showing amount of Valuation made by Messrs. F. X. Berlinguet, Architect, and A. H. Larochelle, Civil Engineer, *re* property of Harbour Commissioners of Quebec.

## SUMMARY.

Denomination.	Sundries.		Building.	
	\$	cts.	\$	cts.
No. 1 Warehouse.....	242	75	13,320	45
" 2 Cold storage .....	28,720	83	35,983	75
" 3 Office, shop and storage .....	1,453	82	3,112	07
" 4 Warehouse.....	230	00	19,973	84
" 5 Office and store.....	371	00	3,486	97
" 6 Warehouse.....			15,206	40
" 7 Warehouse.....	230	00	9,125	51
" 8 Warehouse.....			13,498	05
" 9 Warehouse.....			2,336	40
" 10 Office and warehouse.....			5,290	95
" 11 Warehouse.....			16,794	25
" 12 Office and scale house.....	300	00	600	33
" 13 Warehouse and office.....	320	00	7,000	40
" 14 Warehouse.....	370	00	8,850	60
" 15 Scale house.....	1,965	00	1,714	74
" 16 Office and tool shed.....	1,466	00	1,091	97
" 17 Store and warehouse.....	10,016	00	5,170	00
" 18 Warehouse .....	561	25	19,528	05
" 19 Warehouse.....	1,470	10	35,585	55
" 20 Warehouse.....	1,185	00	78,848	00
" 21 Warehouse.....	829	00	32,472	00
" 22 Store .....	719	00	32,544	65
" 23 Warehouse.....	82	50	4,306	96
" 24 Store.....	70	00	3,062	40
" 25 Store.....			21,915	86
" 26 Grain elevator and power house .....	20,170	34	85,027	91
" 27 Engine and boiler house .....	9,512	47	7,058	13
" 28 Store.....			447	32
" 29 Store and police station .....	76	75	1,924	78
" 30 Store.....			519	75
" 31 Scale house.....	295	00	467	77
" 32 Scale house.....	295	00	427	68
" 33 Dwelling house.....			3,203	06
" 34 Store.....	130	00	7,469	45
" 35 Store.....	1,732	84	630	63
" 36 Scale house .....	303	00	371	36
Outside breakwater pier.....	5,416	52		
" No. 27.....	598	00		
Portable winch stock .....	94	80		
" machine.....	2,150	00		
Yard work.....			866	25
Portable winch house.....			215	27
Stock Louise embankment.....	9,947	11		
Breakwater light house.....	15	00		
Private telephone system.....	150	00		
Diving outfits.....	1,000	00		
Spare pieces and stock, No. 27-28 .....	579	15		
Accommodation—Atkinson's wharf.....	164	50		
" Point-à-Carcy .....	697	61		
" Breakwater pier.....	1,254	43		
" Louise embankment.....	968	00		
Main office furniture.....	3,769	43		
Floating equipment.....	27,428	05		
Total .....	137,350	25	490,449	51

8-9 EDWARD VII., A. 1909

## RECAPITULATION,

Sundries .....	\$137,350 25
Buildings.....	490,449 51
Grand Total.....	<u>\$627,799 76</u>

QUEBEC, November 26, 1907.

(Sgd) F. X. BERLINGUET, A. and C.E.,  
A. H. LAROCHELLE, A. and C.E.

Certified copy of original.

JAS. WOODS,  
*Secretary-Treasurer.*

DESCRIPTION of the Buildings mentioned in the report and designed on the plan annexed.

No.	Name.	Dimensions.	Description.
1.	Warehouse.....	34' 6" x 130' 0".....	3 stories, attic, frame.
2.	Cold store.....	Irregular.....	3 " " monitor, frame.
3.	Carpenter shop, store.....	25' 6" x 48' 0".....	2 " " frame.
4.	Warehouse and office.....	51' 0" x 86' 0".....	3 " " stone.
5.	" .....	33' 0" x 36' 9".....	3 " " frame.
6.	" .....	40' 0" x 120' 0".....	4 " " "
7.	" .....	48' 6" x 77' 9".....	3 " " "
8.	" .....	38' 0" x 74' 9".....	3 " " stone.
9.	" .....	30' 0" x 118' 0".....	1 " " frame.
10.	Office and warehouse .....	Irregular.....	2 " " "
11.	" .....	38' 9" x 98' 6".....	3 " " "
12.	" scale house.....	Irregular.....	1 " " "
13.	Warehouse.....	38' 0" x 160' 0".....	1 " " "
14.	" .....	38' 0" x 200' 0".....	1 " " "
15.	Scale house .....	20' 9" x 40' 6".....	1 " " "
16.	Office, tool shed .....	Irregular.....	1 " " "
17.	Store, blacksmith's shop.....	" .....	2 " " "
18.	Warehouse.....	" .....	1 " " "
19.	" .....	79' 0" x 450' 0".....	1 " " "
20.	" .....	80' 0" x 800' 0".....	1 " " "
21.	" .....	Irregular.....	1 " " "
22.	Store .....	" .....	1 " " "
23.	Warehouse.....	22' 0" x 141' 3".....	1 " " "
24.	Store .....	25' 2" x 123' 3".....	1 " " "
25.	" .....	68' 3" x 127' 3".....	1 " " brick.
26.	Grain elevator.....	Irregular.....	1 frame.
27.	Engine and boiler house.....	" .....	1 story, brick.
28.	Store .....	11' 0 x 48' 3".....	1 " " frame.
29.	Warehouse, police station.....	25' 3" x 60' 0.....	1 " " "
30.	Store .....	15' 3" x 30' 0".....	1 " " "
31.	Scale house and office.....	20' 8" x 20' 3".....	1 " " "
32.	" .....	Irregular.....	1 " " "
33.	Dwelling house.....	24' 6" x 34' 6".....	2 " " brick and frame.
34.	Store .....	Irregular.....	1 " " frame.
35.	" etc. ....	24' 5" x 45' 0".....	1 " " "
36.	Scale house .....	15' 3" x 15' 5".....	1 " " "

Certified copy of original.

JAS. WOODS,  
*Secretary-Treasurer.*

## APPENDIX No. 1

## EXHIBIT I (a).

## QUEBEC HARBOUR DEBENTURE INVESTMENT ACCOUNT.

	Dr.		Dr.
	\$ cts.	\$ cts.	Balance. \$ cts.
1888.			
July 1. To balance.. . . .			2,845,000 00
Aug. 15. To cash.. . . .	45,000 00		
Aug. 23. " . . . .	40,000 00		
Sept. 28. " . . . .	35,000 00		
Oct. 27. " . . . .	55,000 00		
Nov. 27. " . . . .	44,000 00		
Dec. 18. " . . . .	75,000 00		
1889.			
Jan. 21. " . . . .	51,000 00		
June 27. " . . . .	40,000 00		
June 28. To interest on investments.	\$179,097 20		
Less cash received on Sept.			
10, 1888.. . . .	\$14,460		
Less cash received on Jan.			
3, 1888.. . . .	14,460		
Less cash received on Aug. 9,			
1889.. . . .	14,460		
	43,380 00		
	135,717 20	520,717 20	
			3,365,717 20
1889.			
July 20. To cash.. . . .	45,000 00		
Aug. 27. " . . . .	23,000 00		
Sept. 25. " . . . .	57,400 00		
Oct. 15. " . . . .	36,500 00		
Nov. 14. " . . . .	34,000 00		
Dec. 30. " . . . .	14,500 00		
1890.			
Feb. 27. " . . . .	38,000 00		
	248,400 00		
			3,614,117 20
July 5. " . . . .	50,600 00		
			3,664,717 20
1892.			
July 15. " . . . .	83,802 42		
			3,748,519 62
1905.			
Nov. 17. " . . . .	30,000 00		
Dec. 23. " . . . .	24,000 00		
1906.			
Mar. 17. " . . . .	12,057 58		
Mar. 30. " . . . .	3,170 00		
April 5. " . . . .	7,079 58		
May 28. " . . . .	1,270 00		
June 2. " . . . .	5,480 00		
July 5. " . . . .	27,821 51		
	110,878 67		
			3,859,398 29

EXHIBIT I (a)—Continued.

			Dr.		Balance.	
			Dr.		Dr.	
			\$	cts.	\$	cts.
1905.						
Aug. 15.	"	.. . . . .	25,170	00		
Sept. 23.	"	.. . . . .	40,950	00		
Nov. 7.	"	.. . . . .	1,500	00		
Nov. 24.	"	.. . . . .	15,798	11		
Nov. 24.	"	.. . . . .	16,562	93		
1907.						
Jan. 18.	"	.. . . . .	20,265	68		
					120,246	72
					3,979,645	
					01	
May 11.	"	.. . . . .	8,118	47		
June 22.	"	.. . . . .	7,439	00		
Aug. 2.	"	.. . . . .	43,946	23		
Aug. 2.	"	.. . . . .	3,129	56		
Aug. 2.	"	.. . . . .	1,775	00		
Sept. 17.	"	.. . . . .	6,194	58		
Oct. 1.	"	.. . . . .	21,293	14		
Nov. 15.	"	.. . . . .	7,273	99		
Dec. 28.	"	.. . . . .	42,643	98		
1908.						
Feb. 28.	"	.. . . . .	16,497	26		
					158,311	21
					4,137,956	
					22	

FINANCE DEPARTMENT,  
OTTAWA, April, 1909.

EXHIBIT I (b).

QUEBEC HARBOUR INTEREST SPECIAL ACCOUNT.

1 year on	\$3,365,717	20 to 30th June, 1890.. . . . .	\$134,628	68
345 days on	45,000	00 " .. . . . .	1,708	77
307 "	23,000	00 " .. . . . .	777	59
278 "	57,400	00 " .. . . . .	1,758	17
258 "	36,500	00 " .. . . . .	1,038	00
225 "	34,000	00 " .. . . . .	855	12
182 "	14,500	00 " .. . . . .	291	59
123 "	38,000	00 " .. . . . .	512	22
			\$141,570	
By cash.. . . . .			14,460	
			\$127,110	
			14	



## APPENDIX No. 1

## EXHIBIT I (b)—Continued.

1 year on \$3,614,117.20 to 30th June, 1891.. . . .	\$144,564 69	
360 days on \$50,600 to 30th June, 1891.. . . .	2,004 48	
	<hr/>	
	\$146,569 17	
By cash.. . . .	14,460 00	
	<hr/>	132,109 17
1 year on \$3,664,717.20 to 30th June, 1892.. . . .		146,588 78
1 year on \$3,664,717.20 to 30th June, 1893.. . . .	\$146,588 69	
350 days on \$83,802.42 to 30th June, 1893.. . . .	3,214 33	
	<hr/>	149,803 02
5 years on \$3,748,519.62 to 30th June, 1898.. . . .		749,703 90
		<hr/>
		\$1,305,315 01
7 years on \$3,748,519 62 to 30th June, 1905.. . . .		1,049,585 49
1 year on 3,748,519 62 " " " " " " " "	\$149,940 78	
225 days on \$30,000 00 to 30th June, 1906.. . . .	739 73	
189 " 24,000 00 " " " " " " " "	497 10	
105 " 12,057 58 " " " " " " " "	138 73	
92 " 3,170 00 " " " " " " " "	31 96	
86 " 7,079 58 " " " " " " " "	66 72	
35 " 1,270 00 " " " " " " " "	4 59	
28 " 5,480 00 " " " " " " " "	16 81	
0. " 27,821 51 " " " " " " " "		
	<hr/>	151,436 42
9 mos. on \$3,859,398 28 to 31st March, 1907.. . . .	\$115,781 95	
228 days on 25,170 00 " " " " " " " "	628 91	
189 " 40,950 00 " " " " " " " "	848 17	
144 " 1,500 00 " " " " " " " "	23 67	
127 " 15,798 11 " " " " " " " "	219 88	
127 " 16,562 93 " " " " " " " "	230 50	
69 " 20,265 68 " " " " " " " "	153 23	
	<hr/>	117,886 31
1 year on \$3,979,645 01 to 31st March, 1908.. . . .	\$159,185 80	
324 days on 8,118 47 " " " " " " " "	288 24	
282 " 7,439 00 " " " " " " " "	229 90	
241 " 43,946 23 " " " " " " " "	1,160 66	
241 " 3,129 56 " " " " " " " "	82 65	
241 " 1,775 00 " " " " " " " "	46 88	
195 " 6,194 58 " " " " " " " "	132 37	
181 " 21,293 14 " " " " " " " "	422 36	
136 " 7,273 99 " " " " " " " "	108 41	
93 " 42,643 98 " " " " " " " "	434 60	
31 " 16,497 26 " " " " " " " "	56 05	
	<hr/>	162,147 92
		<hr/>
		\$2,786,371 15

FINANCE DEPARTMENT,

OTTAWA, 30th April, 1909.

## EXHIBIT J (a).

HARBOUR COMMISSIONERS' OFFICE.

QUEBEC, April 22, 1909.

T. C. BOVILLE, Esq.,  
Department of Finance,  
Ottawa.

DEAR SIR,—I have the honour to inclose, herewith, a detailed statement showing the amount due by the Commissioners for bonds held and advances made by the Dominion government to the Quebec Harbour Commissioners, the total amounting to the 31st March, 1908, to \$3,999,884.12, and also a statement showing the amount of bonds issued and sold to the public outside of the advances from the government.

At the meeting of the Sub-committee on Public Accounts, I was directed to forward those statements to you, as there was a difference in my figures and those furnished by the Auditor General.

I think you will find this difference is accounted for in the settlement made under the Act 51 Vic., Chap. 6 (1888) when the bonds of the Commissioners amounting to \$3,241,000 were cancelled, a deduction was made of \$378,670.05 for interest paid out of capital, and \$17,210.12 sinking fund paid out of capital, and a cash amount of \$119.83 was paid to the Receiver General, leaving a net balance due of \$2,845,000, for which Bond No. 1 was issued. Against this reduction the government took over under the same Act the commissioners' Sinking Fund which had been paid out of their revenue and surpluses amounting to \$223,929.23, which became the property of the Dominion Government, and formed part of the Consolidated Revenue of Canada.

I am, sir,

Your most obedient servant,

JAS. WOODS,

*Sec.-Treas.*

## APPENDIX No. 1

## EXHIBIT J (1).

QUEBEC, April 21, 1909.

MEMORANDUM for Special Committee of Public Accounts of amount due by the Quebec Harbour Commissioners to the Dominion Government up to and inclusive of March 31, 1908.

Quebec harbour debentures held by the Dominion Government, under the Acts 36 Vic., 1878, Chap. 62, 63 Vic., 1880, Chap. 17, 45 Vic., 1882, Cap. 47, 47 Vic., 1884, Chap. 9, 49 Vic., 1886, Chap. 19, 50-51 Vic., 1887, Chap. 41 and 51 Vic., 1888, Chap. 6.

## ORDERED—

Capital payable January 1, 1910.

5 Sept., 1888—Debenture No.	1.. . . . .	\$2,845,000 00
1 Oct., 1888	2.. . . . .	120,000 00
26 Nov., 1888	3.. . . . .	55,000 00
3 Dec., 1888	4.. . . . .	44,000 00
24 Dec., 1888	5.. . . . .	75,000 00
28 Jan., 1889	6.. . . . .	51,000 00
2 July, 1889	7.. . . . .	40,000 00
29 July, 1889	8.. . . . .	45,000 00
2 Sept., 1889	9.. . . . .	23,000 00
30 Sept., 1889	10.. . . . .	57,400 00
21 Oct., 1889	11.. . . . .	36,500 00
18 Nov., 1889	12.. . . . .	34,000 00
20 Jan., 1890	13.. . . . .	14,500 00
10 Mar., 1890	14.. . . . .	38,000 00
4 Aug., 1890	15.. . . . .	50,600 00
8 Aug., 1892	16.. . . . .	83,802 42
		<hr/>
		\$3,612,802 42

## EXHIBIT J (2).

Amount received from the Dominion Government up to and inclusive of March 31, 1908, for securing and deepening dock quay walls for which debentures have not been issued under 62-63 Victoria, Chap. 34, Sec. 34 (1899) and Orders in Council of 8th of March and 29th December, 1906—

14 Sept., 1905—Advance.. . . .	\$ 30,000 00	
3 Dec., 1905 " . . . . .	24,000 00	
21 Mar., 1906 " . . . . .	12,057 58	
2 Apr., 1906 " . . . . .	3,170 00	
7 Apr., 1906 " . . . . .	7,079 58	
30 May, 1906 " . . . . .	1,270 00	
5 June, 1906 " . . . . .	5,480 00	
7 July, 1906 " . . . . .	16,920 00	
7 July, 1906 " . . . . .	10,901 51	
18 Aug., 1906 " . . . . .	25,170 00	
29 Sept., 1906 " . . . . .	40,950 00	
9 Nov., 1906 " . . . . .	1,500 00	
28 Nov., 1906 " . . . . .	32,361 04	
21 Jan., 1907 " . . . . .	17,910 78	
15 May, 1907 " . . . . .	8,118 47	
27 June, 1907 " . . . . .	7,439 00	
5 Aug., 1907 " . . . . .	48,850 79	
23 Sept., 1907 " . . . . .	6,194 58	
3 Oct., 1907 " . . . . .	21,293 14	
18 Nov., 1907 " . . . . .	7,273 99	
2 Jan., 1908 " . . . . .	42,643 98	
2 Mar., 1908 " . . . . .	16,497 26	
		\$ 387,081 70
		<u>\$3,999,884 12</u>



## EXHIBIT J (3).

QUEBEC, April 21, 1909.

MEMORANDUM of Bonds sold to the Public and bearing interest semi-annually at the rate of 4 per cent per annum. Authorized under the provisions of the Act of the Parliament of Canada, 61 Vic., Chap. 48 (1898), and 62-63 Vic., Chap 34, Sec. 35 (Harbour Commissioners' Act, 1899).

*Bonds.*

Under Act 61 Vic., Chap. 48 (1898)—

150 bonds of \$1,000 each sold to the public and bearing interest at the rate of 4 per cent per annum, payable semi-annually the 1st of January and July of each year. Issued in 1898, capital sum payable on the 1st day of July, 1928. . . . . \$150,000 00

Under Act 62-63 Vic., Chap. 34, Sec. 35, (Harbour Commissioners' Act, 1899)—

200 bonds of \$1,000 each sold to the public and bearing interest at the rate of 4 per cent per annum, payable semi-annually on the 1st of June and December of each year. Issued in 1899; capital sum payable 1st of December, 1929. . . . . 200,000 00

Under Act 6-7 Edward VII., Chap. 36 (1907)—

200 bonds of \$1,000 each sold to La Banque Nationale and bearing interest at the rate of 4 per cent per annum, payable semi-annually the 1st day of October and April of each year. Issued in 1908, capital sum payable on the 1st day of April, 1938. . . . . 200,000 00

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\$550,000 00

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JAS. WOODS,  
*Secretary-Treasurer.*

## EXHIBIT J (b).

HARBOUR COMMISSIONERS' OFFICE,

QUEBEC, May 10, 1909.

T. C. BOVILLE, Esq.,  
Deputy Minister of Finance,  
Ottawa.

DEAR SIR,—I have the honour to acknowledge the receipt of yours of the 5th instant, with detailed statement of arrears of interest account.

I now inclose two statements, one showing the capital amount due to date, and the other the arrears of interest due to the 31st March and 30th June, 1908.

The statement showing capital due corresponds with Finance Department's after deducting an amount of \$135,717.20 that is not capital; but belongs to the arrears of

8-9 EDWARD VII., A. 1909

interest account and \$2,354.90 received in January, 1907, for the Department of the Interior, and not chargeable to the Commissioners.

The arrears of interest I make to the 30th June, 1908, to be \$2,860,254.28.

To the arrears of interest in the department's statement should be added the amount of \$135,717.20 for interest from the 1st January, 1888, to the 30th June, 1889, deducted from the capital account, and there should be deducted from this interest account the 4 per cent per annum charged on this \$135,717.20 from 1st July, 1889, to June 30th, 1908, and also the interest on \$2,354.90 for the Interior Department from January, 1907.

In 1907 the department has only charged 9 months interest when it should have been twelve.

With those corrections both capital and arrears of interest accounts will be correct.

I am, sir,

Your most obedient servant,

JAS. WOODS,

*Secretary-Treasurer.*

### EXHIBIT J (4).

QUEBEC, May 7, 1909.

DEBENTURES and advances received by the Quebec Harbour Commissioners from the Dominion Government to date.

As per memo. of 21st April, amount received to 31st March, 1908. . . . \$3,999,884 12 1908.

Aug. 3rd, cash received. . . . .	\$11,065 53	
Aug. 3rd " . . . . .	4,287 36	
Aug. 31st " . . . . .	10,990 58	
Sept. 11th " . . . . .	36,290 67	
Oct. 31st " . . . . .	17,489 80	
1909.		
Jan. 27th " . . . . .	2,544 70	
March 15th " . . . . .	4,586 27	
		87,254 91
		<u>\$4,087,139 03</u>

As per Finance Department statement. . . . . \$4,225,211 13

Less—

Item of \$135,717.20, June, 1889, which should not be included in capital, but belongs to interest account, \$135,717.20. Item of \$2,354.90, June 21st, 1907, is for Department of Interior for a building, \$2,354.90. . . . .

138,072 10  
\$4,087,139 03

JAS. WOODS,

*Secretary-Treasurer.*

## APPENDIX No. 1

## EXHIBIT J (5).

QUEBEC, May 7, 1909.

MEMO. of arrears of interest due by the Quebec Harbour Commissioners to the Dominion Government for interest on debentures and advances to the 31st of March, and 30th of June, 1908.

1888 Interest from 1st January, 1888 to 30th June, 1889..... \$ 179,097 20

## LESS.

1888, Sept. 10, cash paid.....\$ 14,460 00  
 1889, Jan. 3, cash paid..... 14,460 00  
 Aug. 9, cash paid. .... 14,460 00

\$ 43,380 00

\$ 135,717 20

1889.  
 July 1st.. \$3,230,000 00 12 mos. to 30th June, 1890..... 129,200 00  
 July 20th. 45,000 00 345 days to 30th June, 1890..... 1,708 77  
 Aug. 27th. 23,000 00 307 " " " " ..... 777 59  
 Sept. 25th. 57,400 00 278 " " " " ..... 1,758 17  
 Oct. 15th. 36,500 00 258 " " " " ..... 1,038 00  
 Nov. 14th. 34,000 00 228 " " " " ..... 855 12  
 Dec. 30th. 14,500 00 182 " " " " ..... 291 59

1890.  
 Feb. 27th. 38,000 00 123 " " " " ..... 512 22

\$3,478,400 00

\$136,141 46

1890.  
 July 8th. By Cash ..... 14,460 00

121,681 46

July 1st. \$3,478,400 00 12 mos. to 30th June, 1891..... 139,136 00  
 July 5th. 50,600 00 360 days " " " ..... 2,004 48

\$3,529,000 00

141,140 48

1890.  
 Nov. 4th. By Cash..... 14,460 00

126,680 48

1891  
 July 1st. \$3,529,000 00 12 mos. to 30th June, 1892. .... 141,160 00

1892.  
 July 1st. \$3,529,000 00 " " " " 1893..... 141,160 00  
 July 15th. 83,802 42 350 days to 30th June, 1893..... 3,214 33

144,374 33

1893.  
 July 1st. \$3,612,802 42 5 years to 30th June, 1898..... 722,560 45

1898.  
 July 1st. \$3,612,802 42 7 " " " " 1905..... 1,011,584 63

1905.  
 July 1st. \$3,612,802 42 12 mos. to 30th June, 1906..... 144,512 09

Nov. 7th. 30,000 00 225 days to 30th June, 1906..... 739 73  
 Dec. 30th. 24,000 00 189 " " " " ..... 497 10

1906.  
 Mar. 17th. 12,057 58 105 " " " " ..... 138 73

" 30th. 3,170 00 92 " " " " ..... 31 96

April 5th. 7,079 58 86 " " " " ..... 66 72

May 25th. 1,270 00 33 " " " " ..... 4 59

June 2nd. 5,480 00 28 " " " " ..... 16 81

" 30th. 27,821 51 ..... 146,007 73

\$3,723,681 09

1906.  
 July 1st. \$3,723,681 09 12 mos. to 30th June, 1907 ..... 148,947 24

Aug. 15th. 25,170 00 10½ " " " " ..... 880 95

Sept. 23rd. 40,950 00 9 mos. and 8 days to 30th June, 1907..... 1,264 37

Nov. 7th. 1,500 00 7 " 24 " " " " ..... 38 94

" 24th. 15,798 11 7 " 7 " " " " ..... 379 72

Dec. 24th. 16,562 93 7 " 7 " " " " ..... 399 99

1907.  
 Jan. 18th. 17,910 78 5 " 13 " " " " ..... 324 02

May 11th. 8,118 47 1 " 20 " " " " ..... 45 10

June 22nd. 7,439 00 9 days to 30th June, 1907 ..... 7 33

152,287 66

\$3,857,130 38





## APPENDIX No. 1

## EXHIBIT K (b).

## THREE RIVERS HARBOUR DEBENTURE AND SINKING FUND INTEREST ACCOUNT.

Date.		Dr.	Cr.	Appears.
		\$ cts.	\$ cts.	\$ cts.
1886.				
June 30.	To interest on debenture account.....	2,241 27		
	" $\frac{1}{2}$ p.c. for sinking fund.....	560 32		
	By cash on debenture account.....		2,241 27	
	" debenture account for sinking fund.....		362 20	
	" cash for sinking fund.....		198 12	
Dec. 31.	To $\frac{1}{2}$ p.c. on \$81,557.97 for sinking fund account.....	407 78		407 78
1887.				
June 30.	To 1 year's interest on \$81,760.97 at 4 p.c. debenture account.	3,270 44		
	By 1 year's interest on \$81,760.97 debenture account..		3,270 44	
	To $\frac{1}{2}$ year's interest on arrears for sinking fund account.	8 15		
	" $\frac{1}{2}$ p.c. on \$81,760.97 for sinking fund.....	408 80	824 73	
Dec. 31.	" $\frac{1}{2}$ year's interest on \$81,760.97 debenture account..	1,635 22		
	" $\frac{1}{2}$ year's interest on \$824.73 arrears for sinking fund.	16 49		
	" $\frac{1}{2}$ p.c. on \$81,760.97 sinking fund account.....	408 80		2,885 24
1888.				
June 30.	" $\frac{1}{2}$ year's interest on \$1,635.22 arrears debenture account.	32 70		
	" $\frac{1}{2}$ year's interest on \$81,760.97 debenture account.	1,635 22		
	" $\frac{1}{2}$ year's interest on \$1,250.02 arrears sinking fund account.	25 00		
	" $\frac{1}{2}$ p.c. on \$81,760.97 sinking fund account.....	408 80		4,986 96
Dec. 31.	" $\frac{1}{2}$ year's interest on \$3,303.14 arrears debenture account.	66 06		
	" $\frac{1}{2}$ year's interest on \$81,760.97 debenture account	1,635 22		
	" $\frac{1}{2}$ year's interest on \$1,683.82 arrears sinking fund account.	33 67		
	" $\frac{1}{2}$ p.c. on \$81,760.97 sinking fund account.....	408 80		7,130 71
1889.				
June 30.	" $\frac{1}{2}$ year's interest on \$5,004.42 arrears debenture account.	100 08		
	" $\frac{1}{2}$ year's interest on \$81,760.97 debenture account.	1,635 22		
	" $\frac{1}{2}$ year's interest on \$2,126.29 arrears sinking fund account.	42 52		
	" $\frac{1}{2}$ p.c. on \$81,760.97 sinking fund account.....	408 80		9,317 33
Dec. 31.	" $\frac{1}{2}$ year's interest on \$6,739.73 arrears debenture account.	134 79		
	" $\frac{1}{2}$ year's interest on \$81,760.97 debenture account.	1,635 22		
	" $\frac{1}{2}$ year's interest on \$2,577.61 arrears sinking fund account.	51 54		
	" $\frac{1}{2}$ p.c. on \$81,760.97 sinking fund account.....	408 80		11,547 68
1890.				
June 30.	" $\frac{1}{2}$ year's interest on \$8,509.73 arrears debenture account.	170 18		
	" $\frac{1}{2}$ year's interest on \$81,760.97 debenture account.	1,635 22		
	" $\frac{1}{2}$ year's interest on \$3,037.95 arrears sinking fund account.	60 75		
	" $\frac{1}{2}$ p.c. on \$81,760.97 sinking fund account.....	408 80		13,822 63
Dec. 31.	" $\frac{1}{2}$ year's interest on \$10,315.13 arrears debenture account.	206 30		
	" $\frac{1}{2}$ year's interest on \$81,760.97 debenture account.	1,635 22		
	" $\frac{1}{2}$ year's interest on \$3,507.50 arrears sinking fund account.	70 14		
	" $\frac{1}{2}$ p.c. on \$81,760.97 sinking fund account.....	408 80		16,143 09
	Carried forward.....			

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THREE RIVERS HARBOUR DEBENTURE AND SINKING FUND INTEREST ACCOUNT—  
Continued

Date.		Dr.	Cr.	Arrears.
		\$ cts.	\$ cts.	\$ cts.
1891.	Brought forward.....			16,143 09
June 30.....	To $\frac{1}{2}$ year's interest on \$12,156.65 arrears debenture account.	243 13		
	" $\frac{1}{2}$ year's interest on \$81,760.97 debenture account.	1,635 22		
	" $\frac{1}{2}$ year's interest on \$3,986.44 arrears sinking fund account.	79 72		
Dec. 31.....	" $\frac{1}{2}$ p.c. on \$81,760.97 sinking fund account.....	408 80		18,509 96
	" $\frac{1}{2}$ year's interest on \$14,035.00 arrears debenture account.	280 70		
	" $\frac{1}{2}$ year's interest on \$81,760.97 debenture account.	1,635 22		
	" $\frac{1}{2}$ year's interest on \$4,474.96 arrears sinking fund account.	89 50		
June 30....	" $\frac{1}{2}$ p.c. on \$81,760.97 sinking fund account.	408 80		20,924 18
	" $\frac{1}{2}$ year's interest on \$15,950.92 arrears debenture account.	319 01		
	" $\frac{1}{2}$ year's interest on \$81,760.97 debenture account.	1,635 22		
	" $\frac{1}{2}$ years interest on \$4,973.26 arrears sinking fund account.	99 46		
Dec. 31.....	" $\frac{1}{2}$ per cent on \$81,760.97 sinking fund account....	408 80		23,386 67
	" $\frac{1}{2}$ year's interest on \$17,905.15 arrears debenture account.	358 10		
	" $\frac{1}{2}$ year's interest on \$81,760.97 debenture account.	1,635 22		
	" $\frac{1}{2}$ year's interest on \$5,481.52 arrears sinking fund account.	109 63		
1893.	" $\frac{1}{2}$ p.c. on \$81,760.97 sinking fund account....	408 80		25,898 42
June 30.....	" $\frac{1}{2}$ year's interest on \$19,898.47 arrears debenture account.	397 96		
	" $\frac{1}{2}$ year's interest on \$81,760.97 debenture account.	1,635 22		
	" $\frac{1}{2}$ year's interest on \$5,999.95 arrears sinking fund account.	120 00		
Dec. 31.....	" $\frac{1}{2}$ p.c. on \$81,760.97 sinking fund account.....	408 80		28,460 40
	" $\frac{1}{2}$ year's interest on \$21,931.65 arrears debenture account.	438 63		
	" $\frac{1}{2}$ year's interest on \$81,760.97 debenture account.	1,635 22		
	" $\frac{1}{2}$ year's interest on \$6,528 75 arrears sinking fund account.	130 57		
1894.	" $\frac{1}{2}$ p.c. on \$81,760.97 sinking fund account.....	408 80		31,073 62
June 30.....	" $\frac{1}{2}$ year's interest on \$24,005.50 arrears debenture account.	480 11		
	" $\frac{1}{2}$ year's interest on \$81,760.97 debenture account.	1,635 22		
	" $\frac{1}{2}$ year's interest on \$7,068.12 arrears sinking fund account.	141 36		
Dec. 31.....	" $\frac{1}{2}$ p.c. on \$81,760.97 sinking fund account.....	408 80		33,739 11
	" $\frac{1}{2}$ year's interest on \$26,120.83 arrears debenture account.	522 41		
	" $\frac{1}{2}$ year's interest on \$81,760.97 debenture account.	1,635 22		
	" $\frac{1}{2}$ year's interest on \$7,618.28 arrears sinking fund account.	152 36		
1895.	" $\frac{1}{2}$ p.c. on \$81,760.97 sinking fund account.....	408 80		36,457 90
June 30.....	" $\frac{1}{2}$ year's interest on \$28,278.46 arrears debenture account.	565 56		
	" $\frac{1}{2}$ year's interest on \$81,760.97 debenture account.	1,635 22		
	" $\frac{1}{2}$ year's interest on \$8,179.44 arrears sinking fund account.	163 58		
Oct. 11. ...	" $\frac{1}{2}$ p.c. on \$81,760 97 sinking fund account.....	408 80		39,231 06
	By cash on account of arrears of interest.....		15,000 00	
	Carried forward.....			

## APPENDIX No. 1

THREE RIVERS HARBOUR DEBENTURE AND SINKING FUND INTEREST  
ACCOUNT—Continued.

Date.		Dr.	Cr.	Arrears.
		\$ cts.	\$ cts.	\$ cts.
1895.	Brought forward .....			39,231 06
Dec. 31.....	To $\frac{1}{2}$ year's interest on \$30,479.24 arrears debenture account.....	609 58		
	" $\frac{1}{2}$ year's interest on \$81,760.97 debenture account.....	1,635 22		
	" $\frac{1}{2}$ years interest on \$8,751.82 arrears sinking fund account.....	175 03		
	" $\frac{1}{2}$ p.c. on \$81,760.97 sinking fund account.....	408 80		
	By interest on \$15,000.00 from October 11, to December 31, 1895.....		134 79	26,924 90
1896.				
June 30.....	To $\frac{1}{2}$ year's interest on \$17,589.26 arrears debenture account.....	351 78		
	" $\frac{1}{2}$ year's interest on \$81,760.97 debenture account.....	1,635 22		
	" $\frac{1}{2}$ year's interest on \$9,335.64 arrears sinking fund account.....	186 71		
	" $\frac{1}{2}$ p.c. on \$81,760.97 sinking fund account.....	408 80		29,507 41
Dec. 31.....	" $\frac{1}{2}$ year's interest on \$19,576.25 arrears debenture account.....	391 52		
	" $\frac{1}{2}$ year's interest on \$81,760.97 debenture account.....	1,635 22		
	" $\frac{1}{2}$ year's interest on \$9,931.16 arrears sinking fund account.....	198 62		
	" $\frac{1}{2}$ p.c. on \$81,760.97 sinking fund account.....	408 80		32,141 58
1897.				
June 30.....	" $\frac{1}{2}$ year's interest on \$21,602.99 arrears debenture account.....	432 06		
	" $\frac{1}{2}$ year's interest on \$81,760.97 debenture account.....	1,635 22		
	" $\frac{1}{2}$ year's interest on \$10,533.58 arrears sinking fund account.....	210 76		
	" $\frac{1}{2}$ p.c. on \$81,760.97 sinking fund .....	408 80		34,828 43
Dec. 31.....	" $\frac{1}{2}$ year's interest on \$23,670.27 arrears debenture account.....	473 40		
	" $\frac{1}{2}$ year's interest on \$81,760.97 debenture account.....	1,635 22		
	" $\frac{1}{2}$ year's interest on \$11,158.15 arrears sinking fund account.....	223 16		
	" $\frac{1}{2}$ p.c. on \$81,760.97 sinking fund account .....	408 80		37,569 00
1898.				
June 30.....	To $\frac{1}{2}$ year's interest on \$25,778.89 arrears debenture account.....	515 58		
	" $\frac{1}{2}$ year's interest on \$81,760.97 debenture account ..	1,635 21		
	" $\frac{1}{2}$ year's interest on \$11,790.11 arrears sinking fund account.....	235 80		
	" $\frac{1}{2}$ p.c. on \$81,760.97 sinking fund account .....	408 80		40,364 39
Dec. 31.....	" $\frac{1}{2}$ year's interest on \$27,929.68 arrears debenture account.....	558 59		
	" $\frac{1}{2}$ year's interest on \$81,760.97 debenture account.....	1,635 22		
	" $\frac{1}{2}$ year's interest on \$12,434.71 arrears sinking fund account.....	248 69		
	" $\frac{1}{2}$ p.c. on \$81,760 97 sinking fund account.....	408 80		43,215 69
1899.				
June 30....	" $\frac{1}{2}$ year's interest on \$30,123.49 arrears debenture account.....	602 47		
	" $\frac{1}{2}$ year's interest on \$81,760.97 debenture account.....	1,635 22		
	" $\frac{1}{2}$ year's interest on \$13,092.20 arrears sinking fund account.....	261 84		
	" $\frac{1}{2}$ p.c. on \$81,760.97 sinking fund account.....	408 80		46,124 02
Dec. 31.....	" $\frac{1}{2}$ year's interest on \$32,361.18 arrears debenture account.....	647 22		
	" $\frac{1}{2}$ year's interest on \$81,760.97 debenture account.....	1,635 22		
	" $\frac{1}{2}$ year's interest on \$13,762.84 arrears sinking fund account.....	275 26		
	" $\frac{1}{2}$ p.c. on \$81,760.97 sinking fund account.....	408 80		49,090 52
	Carried forward.....			

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THREE RIVERS HARBOUR DEBENTURE AND SINKING FUND INTEREST  
ACCOUNT—Continued.

Date.		Dr.	Cr.	Arrears.
		\$ cts.	\$ cts.	\$ cts.
1900.	Brought forward. . . . .			49,090 52
June 30. . . .	To $\frac{1}{2}$ year's interest on \$34,643.62 arrears debenture account. . . . .	692 87		
	" $\frac{1}{2}$ year's interest on \$81,760.97 debenture account. . . . .	1,635 22		
	" $\frac{1}{2}$ year's interest on \$14,446.90 arrears sinking fund account. . . . .	288 94		
Dec. 31. . . .	" $\frac{1}{2}$ p.c. on \$81,760.97 sinking fund account. . . . .	408 80		52,116 35
	" $\frac{1}{2}$ year's interest on \$36,971.71 arrears debenture account. . . . .	739 43		
	" $\frac{1}{2}$ year's interest on \$81,760.97 debenture account. . . . .	1,635 22		
	" $\frac{1}{2}$ year's interest on \$15,144.64 arrears sinking fund account. . . . .	302 89		
1901.	" $\frac{1}{2}$ p.c. on \$81,760.97 sinking fund account. . . . .	408 80		55,202 69
June 30. . . .	" $\frac{1}{2}$ year's interest on \$39,346.36 arrears debenture account. . . . .	786 93		
	" $\frac{1}{2}$ year's interest on \$81,760.97 debenture account. . . . .	1,635 22		
	" $\frac{1}{2}$ p.c. on \$81,760.97 sinking fund account. . . . .	408 80		
	" $\frac{1}{2}$ year's interest on \$15,856.33 arrears sinking fund account. . . . .	317 12		58,350 76
Dec. 31. . . .	" $\frac{1}{2}$ year's interest on \$41,768.51 arrears debenture account. . . . .	835 37		
	" $\frac{1}{2}$ year's interest on \$81,760.97 debenture account. . . . .	1,635 22		
	" $\frac{1}{2}$ year's interest on \$16,582.25 arrears sinking fund account. . . . .	331 64		
1902.	" $\frac{1}{2}$ p.c. on \$81,760.97 sinking fund account. . . . .	408 80		61,561 79
June 30. . . .	" $\frac{1}{2}$ year's interest on \$44,239.10 arrears debenture account. . . . .	884 78		
	" $\frac{1}{2}$ year's interest on \$81,760.97 debenture account. . . . .	1,635 22		
	" $\frac{1}{2}$ year's interest on \$17,322.69 arrears sinking fund account. . . . .	346 45		
Dec. 31. . . .	" $\frac{1}{2}$ p.c. on \$81,760.97 sinking fund account. . . . .	408 80		64,837 04
	" $\frac{1}{2}$ year's interest on \$46,759.10 arrears debenture account. . . . .	935 18		
	" $\frac{1}{2}$ year's interest on \$81,760.97 debenture account. . . . .	1,635 22		
	" $\frac{1}{2}$ year's interest on \$18,077.94 arrears sinking fund account. . . . .	361 56		
1903.	" $\frac{1}{2}$ p.c. on \$81,760.97 sinking fund account. . . . .	408 80		68,177 80
June 30. . . .	" $\frac{1}{2}$ year's interest on \$49,329.50 arrears debenture account. . . . .	986 59		
	" $\frac{1}{2}$ year's interest on \$81,760.97 debenture account. . . . .	1,635 22		
	" $\frac{1}{2}$ year's interest on \$18,848.30 arrears sinking fund account. . . . .	376 97		
Dec. 31. . . .	" $\frac{1}{2}$ p.c. on \$81,760.97 sinking fund account. . . . .	408 80		71,585 38
	" $\frac{1}{2}$ year's interest on \$51,951.31 arrears debenture account. . . . .	1,039 03		
	" $\frac{1}{2}$ year's interest on \$81,760.97 debenture account. . . . .	1,635 22		
	" $\frac{1}{2}$ year's interest on \$19,634.07 arrears sinking fund account. . . . .	392 68		
1904.	" $\frac{1}{2}$ p.c. on \$81,760.97 sinking fund account. . . . .	408 80		75,061 11
June 30. . . .	" $\frac{1}{2}$ year's interest on \$54,625.56 arrears debenture account. . . . .	1,092 51		
	" $\frac{1}{2}$ year's interest on \$81,760.97 debenture account. . . . .	1,635 22		
	" $\frac{1}{2}$ year's interest on \$20,435.55 arrears sinking fund account. . . . .	408 71		
Dec. 31. . . .	" $\frac{1}{2}$ per cent on \$81,760.97 sinking fund account. . . . .	408 80		78,606 35
	" $\frac{1}{2}$ year's interest on \$57,353.29 arrears debenture account. . . . .	1,147 07		
	" $\frac{1}{2}$ year's interest on \$81,760.97 debenture account. . . . .	1,635 22		
	" $\frac{1}{2}$ year's interest on \$21,253.06 arrears sinking fund account. . . . .	425 06		
	" $\frac{1}{2}$ per cent on \$81,760.97 sinking fund account. . . . .	408 80		82,222 50
	Carried forward . . . . .			



## APPENDIX No. 1

THREE RIVERS HARBOUR DEBENTURE AND SINKING FUND INTEREST  
ACCOUNT—Continued.

Date.		Dr.	Cr.	Arrears.
		\$ cts.	\$ cts.	\$ cts.
1905.	Brought forward.....			82,252 50
June 30. ....	To $\frac{1}{2}$ year's interest on \$60,135.58 arrears debenture account.	1,202 71		
	" $\frac{1}{2}$ year's interest on \$81,760.97 debenture account.	1,635 22		
	" $\frac{1}{2}$ year's interest on \$22,086.92 arrears sinking fund account.	441 74		
Dec. 31. ....	" $\frac{1}{2}$ per cent on \$81,760.97 sinking fund account.....	408 80		85,910 97
	" $\frac{1}{2}$ year's interest on \$62,973.51 arrears debenture account.	1,259 47		
	" $\frac{1}{2}$ year's interest on \$81,760.97 debenture account.	1,635 22		
	" $\frac{1}{2}$ year's interest on \$22,937.46 arrears sinking fund account.	458 75		
1906.	" $\frac{1}{2}$ per cent on \$81,760.97 sinking fund account.....	408 80		89,673 21
June 30. ....	" $\frac{1}{2}$ year's interest on \$65,868.20 arrears debenture account.	1,317 36		
	" $\frac{1}{2}$ year's interest on \$81,760.97 debenture account.	1,635 22		
	" $\frac{1}{2}$ year's interest on \$23,805.01 arrears sinking fund account.	476 10		
Dec. 31. ....	" $\frac{1}{2}$ per cent on \$81,760.97 sinking fund account.....	408 80		93,510 69
	" $\frac{1}{2}$ year's interest on \$68,820.78 arrears debenture account.	1,376 42		
	" $\frac{1}{2}$ year's interest on \$81,760.97 debenture account.	1,635 22		
	" $\frac{1}{2}$ year's interest on \$24,689.91 arrears sinking fund account.	493 80		
1907.	" $\frac{1}{2}$ per cent on \$81,760.97 sinking fund account.....	408 80		97,424 93
June 30. ....	" $\frac{1}{2}$ year's interest on \$71,832.42 arrears debenture account.	1,436 65		
	" $\frac{1}{2}$ year's interest on \$81,760.97 debenture account.	1,635 22		
	" $\frac{1}{2}$ year's interest on \$25,592.51 arrears sinking fund account.	511 85		
Dec. 31. ....	" $\frac{1}{2}$ per cent on \$81,760.97 sinking fund account. ..	408 80		101,417 45
	" $\frac{1}{2}$ year's interest on \$74,904.29 arrears debenture account.	1,498 09		
	" $\frac{1}{2}$ year's interest on \$81,760.97 debenture account.	1,635 22		
	" $\frac{1}{2}$ year's interest on \$26,513.16 arrears sinking fund account.	530 26		
1908.	" $\frac{1}{2}$ per cent on \$81,760.97 sinking fund account.....	408 80		105,489 82
June 30. ....	" $\frac{1}{2}$ year's interest on \$78,037.60 arrears debenture account.	1,560 75		
	" $\frac{1}{2}$ year's interest on \$81,760.97 debenture account.	1,635 22		
	" $\frac{1}{2}$ year's interest on \$27,452.22 arrears sinking fund account.	549 04		
	" $\frac{1}{2}$ per cent on \$81,760.97 sinking fund account....	408 80		109,643 63
	Arrears on debenture account 30th June, 1908.....			81,233 57
	" sinking fund account 30th June, 1908.....			28,410 06
				109,643 63

## EXHIBIT L (a).

## THREE RIVERS HARBOUR COMMISSIONERS.

To the Honourable

The Sub-Committee of Public Accounts,  
House of Commons, Ottawa.

GENTLEMEN.—In compliance with the desire of the Chairman of the Committee on Balance Sheet of Public Accounts of the Dominion, asking to prepare a detailed statement of the bonds held against the Three Rivers Harbour Commissioners bearing interest; together with a detailed statement of interest due the Government up to 31st March, 1908.

I again beg to be excused for not being in position to give more precise figures, on account of the total loss of the records, books and correspondence during the great fire of June, 1908.

And transmit herewith for the information of the honourable committee the following more or less complete statements:—

1st. Statement of Receipts and Expenditure on 'Revenue' from the year 1896 to 1908, except 1902 for which year I am unable to trace any figure.

2nd. Statement of Debentures issued under authority of Act Vic. 55-56, Chap. 10, and Vic. 58-59, Chap. 26, and disbursements on 'Capital' out of the proceeds of their sale.

3rd. Statement of Liabilities and Assets of the Harbour Commissioners of Three Rivers.

4th. Copy of statement transmitted to the Department of Finance in regard to the interest claimed on the \$82,000 due the Government.

From the foregoing at all events, it is possible to draw the following conclusions:—

1st. In regard to *Receipts* and *Expenditures* from ordinary *Revenue* we find, after 12 or 13 years working, only a very small surplus remaining. It would, therefore, be rather risky to calculate upon last year's unique result and burden the Commissioners with additional interests—the actual amount paid to the public, and the sinking fund absorbing already two-thirds of the total revenue of the harbour.

2nd. The *total* amount of *debentures* held by the public issued under authority granted by Parliament, in 1892 and 1895, was \$190,500, against which amount was entered the expenses on *Capital* (purchase of properties, plants, construction of wharfs, &c.), \$184,394, plus the \$15,000 paid to the Government in December, 1895, but not including the disbursements for the year 1902.

3rd. The financial situation as shown by the *Assets* and *Liabilities* of the Commissioners may be well considered *above par*. For, even adding the 4 per cent interest claimed on the \$82,000 held by the Government, from 1896 to 1908, and leaving out Dean's wharf property altogether, a very notable surplus would yet remain.

4th. In respect of this peculiar interest account, the Harbour Commissioners are at a loss to understand why such a claim should continue to be charged against our harbour, the members of our board being only *fidei-commissioners*, *i.e.*, trustees charged with the administration, not of a *private*, but of a *bona fide* public property, and this for the sole purpose to further the interests of trade. Consequently, neither the working, nor the standing of such a commission can reasonably be compared or judged from the ordinary commercial standpoint. Acting under this belief,

## APPENDIX No. 1

our Harbour Commissioners, whenever a chance for an increase of revenue appeared, reduced the tariff for dues, or employed the slight surplus for improvements, both for the exclusive benefit of the traffic of the port. Such action, it seems, is in accordance with the spirit of the law, and the more laudable, as none of the Commissioners have ever drawn any salary, nor even reduced the customary 'jéton de présence.'

At all events the trend of the phenomenal development of the country, the constant increase in the volume of traffic, and the increasing necessity for transportation will soon appeal for a change in the management of certain Government properties administered by commissions.

When the moment arrives for the Harbour Commissioners of Three Rivers to hand over their trust, neither the Government nor the public will have reason to complain of the results, nor of the manner in which they have tried to accomplish their task.

The whole respectfully submitted.

GEORGE BALCER,

*Secretary of the Three Rivers Harbour Commissioners.*

THREE RIVERS, May 6, 1909.

## EXHIBIT L (I.).

THREE RIVERS HARBOUR COMMISSIONERS.

### STATEMENT OF RECEIPTS AND EXPENDITURES ON REVENUE.

Years.	Collections from harbour dues.	Disbursements : administration, salaries, repairs and general harbour ex- penses.	LEAVING		INTEREST DUE	
			Surplus.	Deficit.	5 per cent on debentures.	Sinking fund.
	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
1896.....	7,662 97	4,971 16	2,691 81		1,351 96	275 96
1897.....	8,734 18	5,794 48	2,939 70		2,025 00	607 50
1898.....	7,858 72	7,278 82	579 90		2,072 30	405 00
1899.....	11,171 08	9,096 46	2,074 62		3,912 59	680 00
1900.....	10,208 49	10,096 19	112 30		4,856 45	955 00
1901.....	9,943 89	11,509 87		1,565 98	6,029 22	1,295 00
1902.....						1,452 50
1903.....	15,111 10	15,138 17		27 07	7,718 75	1,570 00
1904.....	14,044 71	15,924 02		1,879 31	8,126 25	1,625 00
1905.....	12,067 84	15,339 99		3,272 15	8,750 41	1,735 00
1906.....	15,043 88	15,777 00		733 98	8,935 93	1,802 50
1907.....	16,912 97	16,740 12	127 85		9,396 90	1,895 00
1908.....	19,966 78	16,482 35	3,517 43		9,590 43	1,905 00
Total.....	148,726 61	144,148 63	12,043 61	7,478 49	72,766 19	16,203 46
					88,969 65	

## EXHIBIT L (II.).

## THREE RIVERS HABBOUR COMMISSIONERS.

RECEIPTS from Sales of Debentures and Disbursements on Capital Account.

Years.	Issue of Debentures — authorized by Order in Council according to Vic. 55-56, Chap. 10 and Vic. 58-59, Chap. 26.	DISBURSEMENTS		Remarks.
		Construction of wharfs.	Property's plant.	
	\$ cts.	\$ cts.	\$ cts.	
1895. . . . .	40,500 00	*25,000 00		\$15,000 paid to government for interest account.
1896. . . . .				
1897. . . . .		1,546 37		
1898. . . . .	55,000 00	15,653 87	6,236 17	
1899. . . . .		24,566 51	3,203 26	
1900. . . . .	75,000 00	41,056 54	68 44	
1901. . . . .		16,772 15		
1902. . . . .				
1903. . . . .		9,211 50		
1904. . . . .	10,000 00	1,392 47	11,027 10	
1905. . . . .		6,972 90		
1906. . . . .	10,000 00	6,961 12		
1907. . . . .		1,417 65		
1908. . . . .		3,208 52		
		153,759 60	20,534 97	15,000 00
Total issue . . . . .	190,500 00	Total disbursements . . . . .	189,294 57	

\* Purchase and part construction of Dean's wharf property.



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## EXHIBIT I (III.).

## THREE RIVERS HARBOUR COMMISSIONERS.

## ASSETS AND LIABILITIES OF THE HARBOUR COMMISSION, 1909.

ASSETS.	\$		\$		LIABILITIES.		\$		\$	
	cts.	cts.	cts.	cts.			cts.	cts.	cts.	cts.
1,343 feet cribwork wharf, 25 to 30 feet water in front about 40,000 cubic yards and including front shore and deep water right, &c. ....	130,000 00				Government claim of 1882. ....		82,000 00			
320 feet ditto, 24 feet water in front, about 8,000 cubic yards cribwork, &c. ....	27,500 00				Debentures held by the public bearing 5 per cent interest and 1 per cent sinking fund. ....		190,500 00			
300 feet ditto, 20 feet water in front, about 7,000 square yards cribwork purchase, of property included. ....	22,500 00				Would leave surplus of ..... ..				272,000 00	
420 feet Dean's wharf property presently included in the new government dock. ....			180,000 00		If the interest claimed for 12 years on the \$82,000 held by the Government bearing 4 per cent is charged, i. e. .... ..		40,000 00		165,290 00	
Three harbour sheds. ....	17,500 00		40,000 00		The surplus would yet be. .... ..		125,290 00			
One Decauville plant. ....	3,500 00									
350,000 square feet solid wharf property (Dean's trap wharf not included) at 50 cents per square foot. ....			21,000 00							
Amount of sinking fund deposit in Quebec Bank, December 31, 1908. ....			175,000 00							
			21,290 00							
Total assets. ....			437,290 00				437,290 00		437,290 00	

## EXHIBIT L (IV.).

## THREE RIVERS HARBOUR COMMISSIONERS.

T. C. BOVILLE, Esq.,  
Deputy Minister of Finance,  
Ottawa.

SIR.—Having been instructed by the Sub-committee of Public Accounts of the House of Commons, to furnish your department with data regarding the interest claimed to be due by the Harbour Commissioners of Three Rivers, on \$82,000 advanced by the Government, in 1885, for the redemption of the then outstanding debentures.

I beg to be excused for the delay and not producing absolutely exact figures and dates in regard to details—the big conflagration of June, 1908, having destroyed all the records, books, correspondence, &c., of the Commission.

However, the facts—which can easily be verified by the correspondence exchanged during 1895 between your department and the Harbour Commissioners—are practically as follows:—

When in 1885 the Harbour Commissioners were unable to meet the interests on their debentures, the Government decided to pay off their debts, thus assuming a claim of \$82,000 against the Commission; revoking at the same time (Vic., 48, Chapter 76) the power granted them by Act Victoria 45, Chapter 52, in regard to further issues of debentures. Between the years 1892-5 the Government again granted the Commissioners the right to issue the balance of the original \$300,000, *i.e.*, \$218,000 (see Vic. 55-56, Chap. 10, and Vic. 58-59, Chap. 26) reserving the priority of ranking the new debentures over the Government's claim, under the condition that the Commissioners should pay \$15,000 for interest due to date, out of the first authorized issue of \$40,500. These bonds were then in the hands of your department. And in December, 1895, the Quebec Bank advanced and remitted to Ottawa the said \$15,000 in exchange for the bonds.

Here closed the transaction with the Department of Finance.

Since then (1895) no other interest has been paid to the Government upon said \$82,000. Should, however, such interest be claimed, the amount due could not go further back than 1895.

I have the honour to be, sir,  
Yours respectfully,

GEORGE BALCER,  
*Secretary.*

## APPENDIX No. 1

## EXHIBIT M (a).

## PRINCE EDWARD ISLAND RAILWAY: STORES' BALANCE AT END OF MONTH

		Previous year.	Difference.
		\$ cts.	\$ cts.
1906—	June.....	73,044 87	
	July.....	66,036 00	
	August.....	75,184 02	
	September.....	76,414 02	
	October.....	69,706 20	
	November.....	75,400 55	
	December.....	72,297 21	
1907—	January.....	68,368 22	
	February.....	64,340 57	
	March.....	66,801 31	
	April.....	61,196 74	
	May.....	61,059 81	
	June.....	71,296 96	73,044 87
	July.....	66,036 00	
	August.....	90,021 45	75,184 02
	September.....	89,030 47	76,414 02
	October.....	80,536 16	69,706 20
	November.....	83,684 24	75,400 55
	December.....	93,585 76	72,297 21
1908—	January.....	86,293 16	68,368 22
	February.....	82,758 76	64,340 57
	March.....	81,566 21	66,801 31
	April.....	74,397 15	61,196 74
	May.....	74,792 97	61,059 81
	June.....	93,774 70	71,296 96
	July.....	106,494 45	
	August.....	106,015 46	90,021 45
	September.....	114,336 44	89,030 47
	October.....	105,498 32	80,536 16
	November.....	104,693 29	83,684 24
	December.....	95,272 25	93,585 76
1909—	January.....	85,435 71	86,293 16
	February.....		857 45

DEPARTMENT OF AUDITOR GENERAL,  
OTTAWA, May, 1909.

## EXHIBIT M (b).

## WINDSOR BRANCH RAILWAY: STORES' BALANCE AT END OF MONTH.

	\$	cts.	\$
			cts.
			\$
			cts.
1906—June .....			
July .....			
August .....			
September .....			
October .....			
November .....			
December .....			
1907—January .....			
February .....			
March .....			
April .....			
May .....			
June .....			
July .....			
August .....			
September .....			
October .....			
November .....			
December .....			
1908—January .....			
February .....			
March .....	49,240	81	
April .....	50,064	10	
May .....	51,084	58	
June .....	39,332	19	
July .....	40,899	72	
August .....	37,146	92	
September .....	33,423	65	
October .....	31,626	91	
November .....	26,244	38	
December .....	25,203	34	
1909—January .....			
February .....			

DEPARTMENT OF AUDITOR GENERAL,  
OTTAWA, May, 1909.



## APPENDIX No. 1

## EXHIBIT M (c).

## INTERCOLONIAL RAILWAY: STORES' BALANCES AT END OF MONTH.

		Previous year.	Difference.
	\$ cts.	\$ cts.	\$ cts.
1906—June .....	1,493,723 83		
July .....	1,374,154 26		
August .....	1,327,657 91		
September .....	1,253,671 25		
October .....	1,232,666 99		
November .....	1,312,346 32		
December .....	1,261,836 39		
1907—January .....	1,355,419 83		
February .....	1,317,027 44		
March .....	1,341,996 90		
April .....	1,292,625 60		
May .....	1,324,634 68		
June .....	1,382,795 29	1,493,723 83	110,928 54
July .....	1,317,530 83	1,374,494 26	56,963 43
August .....	1,267,554 59	1,327,657 91	60,103 32
September .....	1,188,470 50	1,253,671 25	65,200 75
October .....	1,143,200 43	1,232,666 99	89,466 56
November .....	1,121,576 03	1,312,346 32	90,770 29
December .....	1,209,069 88	1,261,836 39	52,766 51
1908—January .....	1,263,492 33	1,355,419 83	91,927 58
February .....	1,546,510 46	1,317,027 44	229,483 02
March .....	1,365,935 64	1,341,996 90	23,938 74
April .....	1,660,895 47	1,292,625 60	368,269 87
May .....	1,842,568 32	1,324,634 68	517,933 64
June .....	1,981,922 69	1,382,795 29	599,127 40
July .....	2,119,821 74	1,317,530 83	702,290 91
August .....	2,106,119 96	1,267,554 59	838,565 37
September .....	2,040,306 01	1,188,470 50	851,835 51
October .....	2,026,643 65	1,143,200 43	883,443 22
November .....	1,961,973 32	1,121,576 03	840,397 29
December .....	1,844,653 97	1,209,069 88	635,584 09
1909—January .....	1,820,055 14	1,263,492 33	556,562 81
February .....	1,721,036 11	1,546,510 46	174,525 65

DEPARTMENT OF AUDITOR GENERAL,  
OTTAWA, May, 1909.

## EXHIBIT N.

## Statement (a).

## PRINCE EDWARD ISLAND RAILWAY.

## Store Balance, 31st March, 1908.

General store .....	\$51,995 79
Stationery store .....	4,965 73
Coal store .....	14,619 50
Road material account .....	9,657 71
	<hr/>
	\$81,238 73
Ledger balance .....	81,566 21
	<hr/>
Difference .....	\$ 327 48

NOTE.—See *Journals* for details.

*Statement (b).*

## PRINCE EDWARD ISLAND RAILWAY.

Store Balance, 31st March, 1909.

General store. . . . .	\$40,674 05
Stationery store. . . . .	5,521 06
Coal store. . . . .	15,628 68
Road material account. . . . .	20,069 92
	<hr/>
	\$81,893 71
LESS.	
Unpaid accounts. . . . .	\$ 4,085 11
	<hr/>
	\$77,808 60
Ledger balance. . . . .	77,442 27
	<hr/>
	\$ 366 33

NOTE.—See *Journals* for details.

## EXHIBIT O.

## DISPUTED ACCOUNT.

POST OFFICE DEPARTMENT, CANADA,

ACCOUNTANT'S BRANCH,

OTTAWA, April 27, 1909.

*Memorandum.*

In connection with the balance of \$5,457.51 claimed by the Prince Edward Island Railway from the Post Office Department for mail service, the following facts are submitted for the consideration of the Public Accounts Committee.

The above amount is made up as follows:—

1. Balance claimed for hire of special trains in 1902-3 at \$1 per mile instead of 50c. already paid. . . . .	\$2,567 66
2. Amount deducted from account, 1903-4, on account of cancelled trains. . . . .	96 00
3. Amount deducted from account in 1904-5 on account of cancelled trains. . . . .	1,006 32
4. Balance claimed by the Prince Edward Island Railway for conveyance of mails over the Murray Harbour and Montague branches at \$76 a mile per annum. . . . .	1,787 53
	<hr/>
Total. . . . .	\$5,457 51

With respect to the above items the Post Office Department has to make the following observations:—

1. Up to 1902 the Post Office Department paid \$1 per mile for special trains, but it was learned at that time that the rate charged private individuals was only 50c. a mile, and that the trains hired by the Post Office Department were also used by the railway for hauling freight and carrying passengers for which the usual rates were

## APPENDIX No. 1

charged, and the Postmaster General objected to paying more than the ordinary rate charged for special trains. The account rendered by the Prince Edward Island Railway at the rate of \$1 per mile was consequently reduced one-half and paid at the rate of 50c. a mile, which rate has obtained since the date mentioned.

2. The deduction in the account for March quarter, 1904, was owing to a blockade of trains which made it necessary to provide for special mail service by teams at a cost of \$96 to the Post Office Department.

3. In the winter of 1904-5 the Post Office Department had to pay for the conveyance of mails by teams the sum of \$2,396.05 on account of the failure of the Prince Edward Island Railway to perform the service. The amount deducted from the railway account was only \$1,006.32, calculated on the basis of train mileage that would have been made by cancelled trains, so that the Post Office Department had to meet a loss of \$1,389.73 on account of the blockades on the railway. Under such circumstances it could not be expected that this department would defray all the expenses of conveying the mails at such extra cost, and also pay the railway for services not rendered.

4. Since 1896, no new line of railway used for the conveyance of mails has paid on any other than 'running mile' basis, the rates being 8c. a mile for postal car and a maximum of 4c. per mile for baggage car service. These are the rates paid the Canadian Pacific Railway, Grand Trunk Railway and Canadian Northern Railway on all their branch lines that have been built during the last twelve years.

It may be added that the amount of mail carried by the Prince Edward Island Railway over the two branch lines in question is much less than the average mail conveyed by other lines that are paid at the same rate.

Referring to the communication from the Public Accounts Committee, dated the 26th instant, stating that an additional account of \$96 was disputed by the Post Office Department, it is found that this amount is included in the \$5,457.51, being the second item concerning which an explanation is given above.

W. J. GLOVER,  
*Accountant.*

## EXHIBIT 00.

## PRINCE EDWARD ISLAND RAILWAY.

MEMORANDUM in regard to claims of the Prince Edward Island Railway against the Post Office Department.

Balance shown at 31st March, 1908. . . . . \$12,411 82

Less—

Paid since. . . . . 6,954 31

Leaving in dispute. . . . . \$ 5,457 51

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The details of this amount are as follows:—

Special trains were run between Charlottetown and Georgetown in both directions, as follows:—

In December, 1902, to the value of.. . . .	\$ 46 10
January, 1903, to the value of.. . . .	599 30
February, 1903, to the value of.. . . .	2,012 70
March, 1903, to the value of.. . . .	\$1,831 80
April, 1903, to the value of.. . . .	645 40
	<hr/> 2,477 20

Total.. . . . \$5,135 30

In July, 1903, the Post Office Department paid for these trains  
at the rate of 25 cents a mile run, amounting to.. . . . 1,283 82

Leaving a balance due.. . . . \$3,851 48

In August, 1904, the Post Office Department paid an additional  
amount for these trains at the rate of 25 cents a mile run,  
amounting to.. . . . 1,283 82

Leaving a balance due of.. . . . \$2,567 66

The following deductions were made by the Post Office Department  
from the annual amount payable to the Prince Edward Island  
Railway, namely:—

In 1904 amounts which they say were paid by them for carriage of mails  
by teams when the trains were detained by snow blockades in March,  
1904.. . . . 96 00

In 1905, they deducted the following amounts from the annual pay-  
ments to the railway because the trains did not run during the  
periods named, in consequence of a snow blockade:—

Cape Traverse and Emerald Junction.

11.6 miles, 25 days at 24 cents per mile per day.. . . . \$ 69 60

Charlottetown and Summerside.

48.2 miles, 19 days at 24 cents per mile per day.. . . . 219 79

Summerside and Tignish.

67.9 miles, 24 days at 24 cents per mile per day.. . . . 391 10

Georgetown and Mount Stewart.

24.2 miles, 16 days at 24 cents per mile per day.. . . . 92 92

Souris East and Mount Stewart.

38.1 miles, 18 days at 24 cents per mile per day.. . . . 164 59

Mount Stewart and Charlottetown.

21.9 miles, 13 days at 24 cents per mile per day.. . . . 68 32

---

1,006 32



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Deductions made by Post Office Department from accounts rendered by the railway in 1906, 1907 and 1908, being the difference between the charge of \$76 a mile for the Murray Harbour Branch, 48 miles in length, the Montague Branch, 6 miles in length, a total of 54 miles, and the amount allowed by the Post Office Department of 8 cents a mile run for postal car, at 4 cents a mile run when mails are carried in baggage cars in care of railway employees:—

Quarter ending	31st December, 1906.. . . . .	\$278 40
"	" 31st March, 1907.. . . . .	355 35
"	" 30th June, 1907.. . . . .	298 49
"	" 31st September, 1907.. . . . .	276 00
"	" 31st December, 1907.. . . . .	276 00
"	" 31st March, 1908.. . . . .	323 29
		<hr/> 1,787 53
A total of.. . . . .		<hr/> \$5,457 51 <hr/>

*Special Mail Trains.*

From 1883 to 1903, the Post Office Department paid the Prince Edward Island Railway \$1 a mile for the special trains carrying the mails between Charlottetown and Georgetown in connection with the winter steamers.

The accounts for these special trains were rendered by the railway to the Post Office officials monthly, and they were usually paid quarterly.

The accounts for the particular special trains in question, in 1902-3, were rendered in the usual way on the following dates:—

The accounts for the trains run in December, 1902, and January, 1903, were rendered on January 31, 1903.

The account for the trains run in February, 1903, was rendered on March 4, 1903.

And the accounts for the trains run in March and April, 1903, on the 17th of April, 1903.

There was no refusal to pay for this train service as usual, until July 27, 1903, when F. de St. C. Brecken, postmaster, Charlottetown, addressed a letter to Mr. Sharp offering pay at the rate of 25c. a mile, which was not accepted at that time.

The Post Office officials had brought up, a year or two before, the question of the rate charged for these special trains, and had asked for a reduction, but the railway had not agreed to such reduction.

The custom which has always existed in regard to the special mail trains between Charlottetown and Georgetown is that they are run only when requested by the Post Office Department, which request is communicated to the railway officials through the postmaster at Charlottetown.

At the beginning of the winter of 1901-8, the Post Office Department did not at first order the special mail trains as in previous years, but soon after the beginning of the winter they made the usual request for the service, and the special mail trains were run during that winter and paid for at the usual rate of \$1 a mile.

At the beginning of the winter of 1902-3, no request was made by the Post Office Department to the railway officials for the usual special trains.

On January 15, 1903, the winter steamer *Minto* arrived at Georgetown with mails and passengers. The Board of Trade of Charlottetown requested the Assistant Post-Office Inspector to give the usual order for a special train to bring the mails to Charlottetown, but he declined, saying that he had no authority to do so.

Some members of the Board of Trade then arranged with the railway to run the train and paid the railway for running it.

A similar arrangement was made for special trains on several subsequent days.

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During all this time, the Board of Trade and others were communicating with the Post Office Department, at Ottawa, and with other authorities there, urging that the special mail train service be resumed as in previous years.

In response to these appeals of the Board of Trade to Ottawa, Mr. B. M. Armstrong, controller of railway mail service, was sent by the Post Office Department from Ottawa to Charlottetown.

Mr. Armstrong had several conferences with Mr. Sharp, superintendent of the railway, and the result is embodied in the following correspondence:—

‘POST OFFICE INSPECTOR’S OFFICE,

‘CHARLOTTETOWN, P.E.I., January 27, 1903.

‘DEAR MR. SHARP,—Replying to your favour of even date, I have much pleasure, as requested, in transcribing a copy of a telegram I received on the 26th instant, from the Honourable Sir William Mulock, relative to the re-establishment of train service between Charlottetown and a steamer plying between the island and the mainland.

“OTTAWA, January 26, 1903.

“B. M. ARMSTRONG,

“Controller R.M.S.

“Mr. Blair is telegraphing his representative at Charlottetown to re-establish special train. Please on behalf of this department see that mail service is re-established.

“(Signed) WILLIAM MULOCK.”

‘Yours truly,

‘(Signed) B. M. ARMSTRONG.

‘G. A. SHARP, Esq.’

‘POST OFFICE INSPECTOR’S OFFICE

‘CHARLOTTETOWN, PRINCE EDWARD ISLAND,

‘27th January, 1903.

‘SIR—Referring to your telephone messages of this afternoon in regard to special trains to connect with the steamer plying between the Island and the mainland, I hereby authorize you to put on the necessary special trains until otherwise instructed by your department or by the Post Office Department.

‘This authority to cover the train which left Charlottetown on Sunday, the 25th instant, and which returned to Charlottetown to-day.

‘Relative to the train ordered by Mr. Farquharson or Mr. McKinnon, if you will send me a statement, addressed to Ottawa, covering this matter, I will transmit the decision of my department on this question to you.

‘I have the honour to be, sir,

‘Your obedient servant,

‘(Signed) B. M. ARMSTRONG,

‘Controller, Railway Mail Service.’

‘G. A. SHARP, Esq.,

Superintendent P.E.I. Railway,  
Charlottetown.’

## APPENDIX No. 1

'PRINCE EDWARD ISLAND RAILWAY,

'OFFICE OF THE SUPERINTENDENT,

'CHARLOTTETOWN, January 27, 1903.

'MR. B. M. ARMSTRONG

.' Controller, Railway Mail Service,

'Charlottetown.

'DEAR SIR.—I beg to acknowledge receipt of your letter of even date, authorizing special mail train to connect with the steamer plying between the Island and the mainland, and that this service is to be continued as in the past, until otherwise instructed by my department or by the Post Office Department.

'This covers the ground completely, and is quite satisfactory to us. I shall be pleased to carry out your requests in this matter, and will continue to run the trains the same as usual.

'Yours faithfully,

'(Signed) G. A. SHARP.'

The telegram referred to by Sir Milliam Mulock in his telegram to Mr. Armstrong is as follows:—

'OTTAWA, ONT., January 26, 1903.

'D POTTINGER, Moncton.

'Postmaster General has instructed Armstrong to have special mail train put on Prince Edward Island Railway. I have agreed that we will do so on old terms, subject to decision of Council as to whether the rate excessive. Therefore, if Armstrong makes application put on the train.

'(Signed) A. G. BLAIR.

It will be observed that Mr. Blair in his telegram states the conditions on which the special train service was to be resumed; these were:

'On old terms subject to decision of Council as to whether the rate excessive.'

To the best of my knowledge the Governor in Council has never declared the old rate of \$1 a train mile to be excessive, and therefore the claim of the railway to be paid at the rate of \$1 a train mile for the trains in question is good, and should be paid.

As the Post Office Department may give as a reason for declining to pay \$1 a mile for the trains in question, the fact that the railway now accepts 50 cents a train mile in payment for such service, I may explain under what circumstances this is done.

The railway officials had for sometime considered that the remuneration received for the conveyance of mails on the Prince Edward Island Railway was not sufficient for the service performed, and negotiations were entered into between Mr. Tiffin, general traffic manager, on behalf of the railway, and Mr. Armstrong on behalf of the Post Office Department.

The results of these negotiations were that the rate payable for the carriage of mails by regular trains was increased from \$50 a mile of railway to \$70 a mile of railway, and the railway agreed to accept 50 cents a train mile for special mail trains run instead of \$1 as heretofore.

These were embodied in a memorandum of agreement, which is as follows:—

'OTTAWA, February 19, 1904.

'Memorandum of agreement between Mr. B. M. Armstrong, representing the Post Office Department, and Mr. E. Tiffin, General Traffic Manager, representing the Prince Edward Island Railway, for mail service.

'Commencing 1st January, 1904, it is agreed that the Post Office Department will allow and pay to the Prince Edward Island Railway for the transportation of mails, the sum of seventy-six dollars (\$76) per track mile. Such payment to cover all or any regular trains used by the Post Office Department, and for special trains the sum of fifty cents (50c.) per running mile for the transportation of mails.

.. (Sgd.) E. TIFFIN,  
B. M. ARMSTRONG.'

The new arrangement, in accordance with the above agreement, commenced on January 1, 1904, and has continued ever since.

Mr. Armstrong requested that the arrangement contained in the agreement, by which special mail trains were to be charged at 50c. a mile run, should be made to include the special mail trains run in December, 1902, January, 1903, February, 1903, March, 1903, April, 1903, and December, 1903.

This request was declined. The railway view was that the agreement should be considered as a whole, and the railway was prepared to extend it backward, as a whole to December 1, 1902, to cover the conveyance of mails by both regular and special trains. But the railway was not willing to extend backward the part which was favourable to the Post Office Department, unless the part which was favourable to the railway was also extended backward to the same date.

The mail service must be considered as a whole, and not in separate parts. The reduction made in the charge for special trains was made in consideration of the railway receiving an increased amount for the conveyance of mails generally, and cannot be construed into an admission that the charge of \$1 a mile for the special trains was too high at a time when the railway was receiving only \$50 a mile of railway for the general mail service.

The 50 cent a mile rate for special trains is not remunerative; these trains are all run during the stormy weather of winter when two locomotives are sometimes required to force them through the snow; there are also frequent delays waiting for the steamers which are detained by ice. The cost of all such delays, in wages, fuel, &c., falls upon the railway, and is not charged to the Post Office Department.

The Prince Edward Island Railway makes no less charge than \$1 a mile run for a special train to any one excepting only the Post Office Department.

If you inquire of other railways, you will find that they would not undertake to run a special mail train under circumstances like these even for \$1 a mile.

In order to meet as far as possible the wishes of the Post Office Department, and as an inducement to that department to settle the old account in full, the railway agreed to accept payment for the special mail train service of December, 1903, at the new rate of 50c. a mile, as that service formed part of the winter service of 1903-4, and was only one month prior to January 1, 1904, the date of the agreement.

This concession was accepted by the Post Office Department, but had not the result desired by the railway. The Post Office Department still decline to pay the additional 50c. a train mile for the special mail trains run during the winter of 1902-3 amounting to \$2,567.66.

Deductions on account of snow blockades:—

\$	96	00
	1,006	32
<hr/>		
		\$1,102 32

The claim of the railway is that this amount should not have been deducted by the Post Office Department. These deductions are all made because the trains of the Prince Edward Island Railway did not run on the days named—the trains being prevented from running by snow storms.

During the winter of 1904-5 there were snow storms of unusual severity, which extended all over the maritime provinces and the New England States. These storms



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caused snow blockades on the Prince Edward Island Railway and also on the Inter-colonial Railway, and on every other railway in the territory affected by them.

The railway used every possible exertion to keep the track open and the trains running, and spared no expense in the endeavour to do so.

It is for delays to trains during this period that the deductions are made.

The understanding has always been that trains are run weather permitting, and this is the first instance in which a deduction is made on account of their stoppage by storms.

The trains of the Intercolonial Railway were subjected to long delays during the same winter, but no attempt was made to deduct from the Intercolonial account the days on which trains did not run.

The railway actually performed the service for which the deduction is made, for it carried the accumulated delayed mails as soon as it could open its tracks and run its trains.

It has been shown that there is no precedent for the deduction attempted to be made, neither is there anything in the agreement of February 19, 1904, to justify it.

That agreement provides for an annual rate of payment for the conveyance of mails by the regular trains of the railway, and there is no provision for deductions.

The railway only undertakes to run its trains subject to unforeseen delays and to conditions beyond its control.

*Deductions from the Rate per Mile of Railway.*

Amount of deduction accrued to March 31, 1908, \$1,737.53.

The agreement between Mr. Armstrong and Mr. Tiffin, dated February 19, 1904, provides for a payment of \$76 a mile of railway for the conveyance of mails by all the regular trains of the Prince Edward Island Railway.

At the time this agreement was executed the Prince Edward Island Railway in operation consisted of the following lines:—

	Miles.
From Charlottetown to Tignish.. . . . .	116.1
“ Royalty Junction to Souris.. . . . .	54.8
“ Branch from Emerald Junction to Cape Traverse... .	11.6
“ Branch from Mount Stewart Junction to Georgetown. .	24.1
Total.. . . . .	206.6

For some years previous to February, 1904, the date of the agreement, an extension of the railway from Charlottetown to Murray Harbour, commonly called the Murray Harbour branch, had been under construction, and this branch was opened for traffic on November 1, 1905.

A short branch to Montague was opened for traffic July 1, 1906.

The length of these lines is as follows:—

	Miles.
Charlottetown to Murray Harbour.. . . . .	43
Montague Junction to Montague.. . . . .	6
	54

The Post Office Department has been paying the railway the agreed rate of \$76 a mile of track for the 206.6 miles of railway which were in operation at the date of the agreement—February 19, 1904—but has declined to pay that rate for the 54 miles opened and put into operation since that date.

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For the service by postal car from Charlottetown to Murray Harbour and back, the Post Office Department pays at the rate of 8c. a mile run by trains; and for the conveyance of closed mails in baggage car between Montague Junction and Montague, 4c. a mile run by trains.

The railway has been charging in its books against the Post Office Department for the conveyance of mails on these branches at the rate of \$76 a mile of track, and the claim of the railway, amounting to \$1,787.53, is the difference between the amount of the railway's charge at the \$76 rate and the amount paid by the Post Office Department.

This difference has still continued since March 31, 1908, and the balance is increasing.

The railway's claim is that as the Murray Harbour branch was nearing completion at the time the agreement was made, that it must have been in the minds of those who made that agreement to include it at the same rate when it was put into operation.

The Murray Harbour branch, though called a branch, is really an extension of the Prince Edward Island Railway. It starts at the capital—Charlottetown—and runs through an important part of the province, and in length, and in some cases in amount of business, it exceeds in importance many other portions of the railway, which the Post Office Department are willing to include at the \$76 a mile rate.

For instance, the Murray Harbour branch is almost as long as the line from Royalty Junction to Souris; it is twice as long as the line from Mount Stewart Junction to Georgetown; and four times as long as the line from Emerald Junction to Cape Traverse; all of which are paid for at the rate of \$76 a mile of track.

There is therefore no good reason for discriminating against the Murray Harbour branch, and treating it differently from other parts of the Prince Edward Island Railway.

The Montague branch, as stated, is 6 miles in length, and is connected with the branch to Georgetown; the regular trains between Georgetown and Charlottetown run into Montague over the branch.

The anomaly is therefore presented that the Post Office Department pays for the service at two different rates for exactly the same service—from Charlottetown to Georgetown it pays \$76 a mile of track while for the 6 miles of the Montague branch which the same trains run over they pay at the rate of 4c. a mile run by trains.

D. POTTINGER.

## EXHIBIT P.

DEPARTMENT OF MILITIA AND DEFENCE,  
OTTAWA, April 28, 1909.

SIR,—With reference to your letter of the 23rd instant, respecting an amount of \$48.40 stated to be due the Prince Edward Island Railway by this department, I have the honour to inform you that the Island Railway rendered an account for that amount in 1884. It was not, however, accompanied by vouchers in support of the claim; and the vouchers not having been furnished, although subsequently called for, the claim has not been recognized.

I have the honour to be, sir,

Your obedient servant,

AUG. Fiset,  
Colonel, Deputy Minister.

THOS. S. HOWE, Esq.,  
Clerk of the Public Accounts Committee,  
House of Commons, Ottawa.

## APPENDIX No. 1

## EXHIBIT PP.

## PRINCE EDWARD ISLAND RAILWAY.

MEMORANDUM in regard to claim of the Prince Edward Island Railway against the Department of Militia and Defence.

Balance shown at 31st March, 1908.. . . .	\$603 80
Paid since.. . . .	555 40
	<hr/>
Leaving in dispute.. . . .	\$ 48 40
	<hr/>

This amount of \$48.40 is for 22 return tickets issued from Charlottetown to Summerside in September, 1884, to competitors attending an artillery competition at Quebec.

The following correspondence shows that the tickets were issued on the authority of the Deputy Minister of Railways, and of Lt. Col. Taylor, D.A.G., at Halifax:—

‘ OTTAWA, 1st September, 1884.

‘ JAMES COLEMAN, Esq.,  
‘ Supt. P. E. I. Railway,  
‘ Charlottetown, P.E.I.

‘ DEAR SIR,—I am to instruct you to issue free tickets over the Island Railway to two officers and twenty men (more or less) of the artillery, attending the coming meeting at Quebec. This you will do on presentation of certificates signed by Lt. Col. Taylor, D.A.G., rendering the account for the fares to the Department of Militia and Defence.

‘ Yours truly,  
‘ (Signed) COLLINGWOOD SCHREIBER.’

CHARLOTTETOWN, 4th September, 1884.

‘ Lieut. Colonel John B. TAYLOR,  
‘ Halifax, N.S.

‘ Do you want twenty-two tickets, Charlottetown to Quebec, on ordinary militia requisition? Please answer at once.

‘ (Signed) JAMES COLEMAN.’

‘ HALIFAX, 4th September, 1884.

‘ JAMES COLEMAN.

Yes, twenty-two tickets. Please give them Major Irving.

‘ (Sgd.) JOHN B. TAYLOR.’

CHARLOTTETOWN, 5th September, 1884.

‘ C. SCHREIBER, Ottawa.

‘ Telegram from Lieut.-Colonel Taylor, Halifax, says 22 tickets to Quebec wanted for artillery. Your letter says only over Island Railway. Pls. ans. tel.

‘ (Sgd.) JAMES COLEMAN.’

OTTAWA, 5th September, 1884.

‘ JAMES COLEMAN,

‘ Issue tickets to artillerymen to Summerside. They will receive tickets over I. C. Railway at Point du Chene.

‘ (Sgd.) C. SCHREIBER.’  
D. POTTINGER.

OTTAWA, 29th April, 1909.

# **EXHIBIT Q.** **INTERCOLONIAL RAILWAY.**

RENTS, LEDGER—Items struck out, \$3,479.15.

Name.	Place.	Amount.
Atlantic and Lake Superior. ....	(Matapédia Stn.) .....	\$ 20 00
Atlantic and Lake Superior .....	" .....	583 33
A. McGowan .....	St. John .....	7 50
Napoleon Boisvert .....	Hadlow .....	22 00
Messrs. J. S. Gibbon & Co .....	St. John .....	225 00
John Brown .....	" .....	6 00
Jos. Bergeron .....	Hadlow .....	18 00
Henry Boutin .....	Pt. Levis .....	20 00
Louis Boisvert .....	" .....	3 00
Jean Boutin .....	" .....	20 00
Louis Boisvert .....	" .....	3 00
Geo. Boutin .....	" .....	10 00
Geo. Boucher & Hamel .....	Hadlow .....	7 50
Jos. Boisvert .....	Pt. Levis .....	14 00
A. Begin .....	Hadlow .....	13 00
Mrs. Burke .....	St. John .....	4 00
Geo. Cloutier .....	Pt. Levis .....	8 00
Jos. Cloutier .....	" .....	4 50
Dame C. W. Carrier .....	" .....	16 00
P. Couture .....	" .....	7 00
Frank W. Cunningham .....	Halifax .....	997 56
E. Dussault .....	Pt. Levis .....	12 00
John Fownes, (dead) .....	Moncton .....	81 00
Mrs. John Flanagan .....	Stillwater .....	3 00
James Geddis .....	Moncton .....	8 50
James Gibson .....	Pt. Levis .....	1 00
E. Glaspey .....	St. John .....	6 00
Joseph Gallagher .....	" .....	6 00
Hugh Hopkins .....	Mt. Uniacke .....	2 00
Mrs. Humphrey .....	Moncton .....	4 50
*Halifax Transfer Co. ....	Halifax .....	250 00
James King .....	Pt. Levis .....	100 00
T. A. Kierstead .....	St. John .....	8 00
David Langlais .....	Pt. Levis .....	12 00
Louis Lambert .....	Hadlow .....	3 00
Williard Lewis .....	Moncton .....	72 00
Napoleon Lemieux .....	Pt. Levis .....	40 00
Mr. Marquette .....	Levis .....	50 00
Mrs. Henry Murray .....	Pt. Levis .....	30 00
F. E. Moriarity .....	St. John .....	10 67
Geo. Murray .....	Moncton .....	12 75
Mrs. W. W. McLellan .....	Newcastle .....	115 20
Jas. McGinley .....	St. John .....	32 00
H. McFadden .....	" .....	12 00
J. McAfee .....	" .....	6 00
A. McCosselyn .....	" .....	6 00
Neil McNeil .....	Long Island, Barachois, C. B. ....	10 00
Geo. Owens .....	St. John .....	3 00
David Pouliot .....	Pt. Levis .....	40 00
Messrs. Price Bros. ....	Hadlow Wharf .....	133 34
Henri Roberge .....	Pt. Levis .....	60 00
Louis Roberge .....	" .....	8 00
E. C. Symes .....	Hadlow .....	4 00
Abner Smith .....	Stellarton .....	6 18
Estate W. T. Scribner .....	Hampton .....	71 12
Emilie St. Laurent .....	Pt. Levis .....	30 00
Mrs. Thibault .....	Hadlow .....	19 50
A. Tower .....	St. John .....	7 00
Howard Trites .....	Moncton .....	15 00
Adjutor Vachon .....	Pt. Levis .....	18 00
F. X. Vachon .....	" .....	11 00
Gab. Valliere .....	" .....	20 00
C. Veilleux .....	" .....	9 00
James Wales .....	St. John .....	110 00
Mary Warwick .....	" .....	8 00
John White .....	Fort Lawrence .....	3 00
Total .....		\$ 3,479 15

\*NOTE.—Collected 28th August, 1909.

(Sgd.): S. L. SHANNON.



## EXHIBIT QQ.

HOUSE OF COMMONS, COMMITTEE ROOM,,

WEDNESDAY, 5th May, 1909.

Sub-committee on Balance Sheet of Public Accounts.

Individual and Company Ledger of the Intercolonial Railway. Items in detail in reference to No. 12 of p. 2 of Report. Amount, \$148,714.23.

Allan SS. Line.. . . . .	\$ 1,892 13
American Locomotive Co.. . . . .	1,038 97
Atlantic and Lake Superior.. . . . .	5,760 35
Athol station.. . . . .	4 44
Amherst station (freight).. . . . .	3 31
"          (ticket).. . . . .	18 75
Atkinson, T.. . . . .	49 87
Atkinson, H.. . . . .	12 80
Balliston Terminal Railway.. . . . .	396 41
Baldwin Locomotive Works.. . . . .	181 10
Beattie, M., & Sons.. . . . .	1 14
Boisdale station.. . . . .	7 80
Brown, J. C.. . . . .	15 00
Bic station.. . . . .	22 00
Bloomfield station.. . . . .	25 21
Canadian Pacific Railway rolling stock.. . . . .	22,446 90
Came, F. E.. . . . .	2,760 70
Canada Eastern Railway.. . . . .	17 42
Canada Coal and Railway Company (Micmac).. . . . .	317 84
Cambellton station (ticket).. . . . .	94 85
"          "          (freight).. . . . .	25 00
Cameron, H. J.. . . . .	1,679 07
Coldbrook Rolling Mills.. . . . .	1,967 41
Coal Branch station.. . . . .	65 84
Coo, T., & Son.. . . . .	19 80
*Department of Militia.. . . . .	1,776 47
Drummond County Railway.. . . . .	7,199 87
Dartmouth station.. . . . .	8,013 73
Derby Junction station.. . . . .	231 04
Dalhousie station.. . . . .	19 69
Engineering Contract Co.. . . . .	518 68
Eel River station.. . . . .	32 61
Eureka Mill station.. . . . .	13 56
Elgin Branch Railway.. . . . .	726 10
Forestdale station.. . . . .	6 34
Forbes, A.. . . . .	82 18
Gray & Lawrence Bros. Co.. . . . .	6 75
Gloucester Junction station.. . . . .	78 87
Gallant, P. E.. . . . .	173 36
Glengarry station.. . . . .	5 00

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Hampton and St. Martins.. . . .	\$ 1,421 35
Halifax station (freight).. . . .	887 49
Hamilton, R.. . . .	1,131 52
Hamilton, H. M.. . . .	316 66
Halifax and Cape Breton Railway.. . . .	1,151 42
Harrison, L. R.. . . .	1,343 41
Iona station.. . . .	72 71
Isle Verte station.. . . .	25 00
Kent Junction station.. . . .	28 38
Moncton station (freight).. . . .	20 00
Memramcook station.. . . .	7 54
Midland Railway.. . . .	7 07
Maritime Engineering Co.. . . .	2 40
McDonald, A. R.. . . .	2 76
McLeod, J. J.. . . .	644 16
McDougall, G. & Co.. . . .	1,466 00
North American Transportation Co.. . . .	2,347 33
Nash's Creek station.. . . .	6 25
New Glasgow station.. . . .	633 90
Newcastle station.. . . .	102 75
Nappan station.. . . .	40 00
Nicolet station.. . . .	39 53
Nauwigewauk station.. . . .	3 00
Post Office Department.. . . .	107 48
Pouliot, I. N.. . . .	352 20
Poulson Iron Works.. . . .	273 25
Purcell & Fallon.. . . .	245 57
Royal visit.. . . .	9,154 44
Rockingham station.. . . .	27 47
Red Pine station.. . . .	20 00
River du Loup (ticket).. . . .	16 00
“ (freight).. . . .	136 82
Remittances destroyed.. . . .	788 81
Richards J., & Son.. . . .	116 24
Ross, W.. . . .	33 70
Standard Car Truck Co.. . . .	465 30
St. Hyacinthe station.. . . .	8,879 05
Steamer 'Verda'.. . . .	50 78
Steamer 'Lake Ontario'.. . . .	17 04
St. Francois Bridge Co.. . . .	49 59
Shediac station.. . . .	34 70
Sackville station.. . . .	10 17
St. John station.. . . .	3,096 46
St. Alexandre station.. . . .	25 90
St. Louise station.. . . .	0 66
Springhill and Parrsboro station.. . . .	3,161 99
St. Arsene station.. . . .	107 12
St. Luce station.. . . .	80 00
Schooner 'Mary Jane'.. . . .	71 30
Stewart, R. A. & J.. . . .	41 39
St. John Street Railway.. . . .	31 00
St. Anaclet station.. . . .	11 00
Trois Pistoles station.. . . .	97 37

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Town of Dartmouth.. . . .	32,000 00
Uncurrent and failed bank notes.. . . .	82 20
Tobique Valley Railway.. . . .	2,739 25
Valley station.. . . .	6 65
Union Bearing Co.. . . .	928 18
Wentworth station.. . . .	33 24
Western Counties Railway (general).. . . .	15,893 35
“ “ (traffic).. . . .	64 57
Weldford station.. . . .	55 00
	<hr/>
	\$148,714 23
	<hr/>

\* Disputed account.—See Exhibit U.

## EXHIBIT R.

## INTERCOLONIAL RAILWAY.

MEMORANDUM in regard to claim of the Intercolonial Railway against the Department of Public Works.

Balance shown at 31st March, 1908.. . . .	\$16,931 24
Paid since.. . . .	2,117 24
	<hr/>
Still due.. . . .	\$14,814 00
	<hr/>

The following are the details of this amount:

August 31, 1905—

560 superficial feet spruce deals at \$12.50 per thousand feet b.m. supplied at Halifax to Resident Engineer Dodwell.. . . .	\$ 7 00
--	---------

October, 31, 1905—

Coal supplied at Rimouski to dredge <i>Nithsdale</i> , 20 tons at \$5.10 a ton.. . . .	102 00
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March 31, 1906—

Value of original superstructure of the Restigouche bridge, transferred for the purpose of a highway bridge.. . . .	14,705 00
---	-----------

Total.. . . .	\$14,814 00
---------------	-------------

The spruce deals and coal were ordered by officials of the Public Works Department, and it is presumed the payment was overlooked. The Public Works officials now state that they will take these small items up and deal with them without delay.

In regard to the item for the Restigouche bridge. The transfer of this bridge was arranged between the Department of Public Works and the Department of Railways and Canals in 1906.

Mr. Eugene D. Lafleur, Chief Engineer of the Department of Public Works, states:—

‘With regard to the item of \$14,705, for the superstructure of the Restigouche bridge, since transferred to the provincial authorities of Quebec and New Brunswick,  
1—18\*

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for a highway bridge, I have to say that an appropriation for this amount was made during the fiscal year 1905-6, but lapsed before payment was made, and no provision for the payment of the account has since been made.'

The matter is now being considered by the deputy ministers of the two departments.

I do not think anything further can be done at present.

D. POTTINGER.

OTTAWA, April 30, 1909.

### EXHIBIT RR.

OFFICE OF THE DEPUTY MINISTER,

OTTAWA, 6th May, 1909.

DEAR SIR,—Replying to your inquiry, concerning the Intercolonial Railway Open account against this department for \$16,931.24, a portion of which is for Restigouche bridge, I may say that in the year 1905-6, the department took an appropriation of \$14,705 to purchase the bridge in question, it having been arranged with the Provincial Governments of Quebec and New Brunswick that the Dominion would place the old railway bridge at their disposal as a Dominion contribution towards the construction of the projected Restigouche interprovincial highway bridge, on the condition that provision be made either by the provincial or municipal authorities, or both, for whatever work might be necessary for the completion of the undertaking, and on the further condition that the bridge, when so constructed, should be free of tolls. This amount, however, was allowed to lapse as, at that time, the Québec Government decided that it must re-erect the Mercier bridge over the Matapedia river, at a cost of \$35,000, and therefore took the stand that the Quebec Government had done its fair share, and that the Restigouche bridge, being a connecting bridge between the two provinces, should be erected by the Dominion.

It was finally arranged that the Dominion would erect the bridge on condition that the provinces of Quebec and New Brunswick each contribute the sum of \$5,000, and an appropriation of \$10,000 was made, subject to such condition in the fiscal year 1908-9, and a further amount of \$20,000 has been asked in the estimates for 1909-10. This, however, will barely suffice to pay for the erection of the piers and the bridge, and will not enable payment for the superstructure.

If, therefore, it is not possible to settle this matter by a contra-account from the Department of Public Works against the Intercolonial Railway for dredging done at the request of the Intercolonial Railway at their long wharf, St. John Harbour, N.B., it will have to stand until a further appropriation can be obtained.

J. B. HUNTER,

*Deputy Minister.*

THOS. S. HOWE, Esq.,

Clerk of Public Accounts Committee,  
House of Commons.



## APPENDIX No. 1

## EXHIBIT S (a).

## DEPARTMENT OF RAILWAYS AND CANALS,

OTTAWA, May 11, 1909.

SIR,—I herewith inclose, by direction, a statement showing the balance standing at the end of each fiscal year for the last five years against each of the various branch railways in Quebec, New Brunswick and Nova Scotia having immediate dealings with the Intercolonial Railway.

This statement was asked for by Mr. H. B. Ames, M.P., on the 22nd ultimo, when outstanding accounts were being looked over in Room 24, House of Commons.

I am, sir,

Your obedient servant,

L. K. JONES,

Secretary.

The Chairman,

Sub-Committee on Public Accounts,  
House of Commons, Ottawa.

## EXHIBIT S (b).

## INTERCOLONIAL RAILWAY.

STATEMENT showing the balance standing at the end of each fiscal year for the last five years against each of the various branch railways in Quebec, New Brunswick and Nova Scotia, who have immediate dealings with the Intercolonial Railway.

	1903-04.	1904-05.	1905-06.	1906-07.	1907-08.
	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
Halifax and Southwestern.....	132 20	2,893 45	5,674 86	9,183 26	54,572 79
Dominion Atlantic Railway.....	7,894 37	2,845 85	2,965 28	10,385 47	16,388 06
Midland Railway of Nova Scotia .....	2,463 71	5,135 24	6 80	7 07	7 07
Inverness Railway and Coal Co.....	16,719 23	7,744 22	10,289 34	14,034 49	3,107 65
Dominion Coal Co. (Sydney and Louisburg Railway).....	1,289 60	2,109 78	9,970 62	8,151 91	12,185 70
Colchester Coal and Railway .....				175 98	183 10
Cumberland Railway and Coal .....	38 04	35 41	3,407 43	33 79	4,384 55
Maritime Coal, Railway and Power Co.....				0 01	3,998 07
Canada Coal and Railway Co.....	141 40	24 39	679 20	496 12	317 84
New Brunswick and Prince Edward Island Railway.....	1,934 02	2,580 19	2,687 01	2,995 79	3,040 19
Moncton and Buctouche Railway.....	269 04	404 39	364 55	512 36	181 25
Salisbury and Harvey Railway.....	982 27	369 84	142 58	138 81	9,385 21
Elgin and Havelock Railway.....	2 96	236 38	169 41	401 80	21 07
New Brunswick Coal and Railway Co.. ..	41,811 54	46,227 48	44,693 98	43,306 12	56,956 28
Hampton and St. Martins.....	583 04	1,359 13	1,400 31	1,421 35	1,658 62
Beersville Railway and Coal.....	3,061 74	223 80	353 20	564 91	627 34
North Shore Railway and Power Co.....					676 25
Kent Northern Railway.....	6,087 36	3,641 85	6,036 34	7,327 76	8,127 23
Canada Eastern Railway .....	10,854 47	193 91	0 42	17 42	17 42
York and Carleton Railway.....		706 81	545 67	5,305 13	316 30
Caraquet and Gulf Shore .....	8,374 71	15,940 00	25,782 60	19,140 03	20,522 54
International Railway (T. Malcolm).....		703 65	912 76	1,177 01	1,666 64
Atlantic and Lake Superior.....	6,271 87	6,424 91	6,910 95	7,888 72	7,666 42
Temiscouata Railway.....	1,281 86	1,126 35	1,675 17	193 52	1,295 92
Quebec Central Railway.....	3,495 41	10,725 28	7,966 63	4,453 55	22,239 05
Lotbinière and Megantic.....		80 18	36 19	36 19	
Quebec Southern Railway (old account).....	27,414 67	27,255 99	27,236 52	27,144 93	25,637 33
Quebec Southern Railway (new account).....	434 65	940 18	2,753 95	2,537 76	1,128 12
Canadian Pacific Railway .....	16,141 43	13,792 23	16,911 89	17,587 17	19,934 86
Canadian Pacific Railway (N. B. Division)....	2,485 17	2,728 75	5,981 03	3,580 17	6,583 54
Grand Trunk Railway.....	10,045 62	7,059 22	16,033 41	9,796 91	18,664 34

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## EXHIBIT SS (a).

HOUSE OF COMMONS, ROOM 32.

OTTAWA, April 24, 1909.

D. POTTINGER, Esq., I.S.O.,  
General Manager, Canadian Government Railways,  
Room 189, West Block, Ottawa.

*Re Sub-Committee on Balance Sheet, Public Accounts.*

DEAR SIR,—I inclose herewith copies of letters, which I have addressed to other departments of the public service; also to Dominion Atlantic Railway, conveying the committee's desire to have their respective statements in reference to disputed and other accounts claimed by your management with a view of adjudication thereof. These, I hope, may serve as a sufficient intimation as to our committee's request for your respective written statements to be furnished showing your side of the case.

The copies inclosed are as follows:—

1. The Deputy Minister of Marine and Fisheries respecting item for steamer <i>Minto</i> . . . . .	\$ 268 14
2. The Dominion Atlantic Railway . . . . .	135 33
3. J. B. Hunter, Deputy Minister of Public Works . . . . .	14,814 00
4. R. M. Coulter, Deputy Postmaster General . . . . .	5,457 51
5. Colonel E. Fiset, Militia and Defence . . . . .	1,776 47
6. Colonel E. Fiset, Militia and Defence . . . . .	48 40

Yours respectfully,

(Signed) THOS. S. HOWE,

*Clerk of Public Accounts Committee.*

PER V. CLOUTHIER,

*Secretary to Sub-Committee on Balance Sheet.*

## EXHIBIT SS (b).

HOUSE OF COMMONS, ROOM 32.

OTTAWA, April 23, 1909.

The Deputy Minister of Marine and Fisheries,  
Ottawa.

DEAR SIR,—At a meeting of the Sub-committee on Balance Sheet of Public Accounts, held the 22nd instant, when in consideration of Intercolonial Railway Open account, respecting item for \$965,418.53 as appears on page 6, Public Accounts, 31st March, 1908, the chairman directed the attention of witness, Mr. Pottinger, to a particular item of \$268.14 per steamer *Minto*, the entry of which you will see on page 65, Balance Sheet, Dominion of Canada, same year. Will you kindly, at request of the Chairman of the committee, send me your written statement as to reasons for non-

## APPENDIX No. 1

payment of this account. I may state that likewise the Intercolonial will be asked to state its case in the matter and both written statements will be submitted further with a view of adjudication which will enable the committee to report thereon. An early reply will oblige.

Yours truly,

(Signed) THOS. S. HOWE,  
*Clerk of Committee.*

PER V. CLOUTHIER,  
*Secretary to Sub-Committee on Balance Sheet.*

NOTE.—See evidence (Mr. Stumbles) p. 196.

## EXHIBIT T.

## WINDSOR BRANCH RAILWAY.

MEMORANDUM in regard to claim of Windsor Branch Railway against the Dominion Atlantic Company.

Balance shown 31st March, 1908, \$135.33.

The details of this amount are as follows:—

1901.	
July 31—To damage to track near Mount Uniacke by run off of No. 4 train caused by a broken wheel in coal car No. 20 on 8th July, 1901.. . . .	\$71 00
Aug. 31—To damage to track at Bennett's siding by run off of car No. 1336 on No. 3 train, 5th August, 1901.. . . .	37 20
1905.	
Mar. 31—To use of I. C. R. snow-plough No. 38 between Windsor and Cambridge on 1st, 2nd and 3rd March, 1905, 35 hours at \$5 per diem of 10 hours	17 50
To time of N. Caldwell in charge of plough, 3½ days at \$2.75.. . . .	9 63
	<hr/>
	\$135 33
	<hr/>

The Windsor Branch extending from Windsor Junction to Windsor, 32 miles, is owned by the Government of Canada. It is leased to the Dominion Atlantic Railway Company under an arrangement by which the company operate it, and the government maintains it.

In running over it, the trains of the company damaged the track and put the government to the expenses for repairs which are charged in the account.

The item for use of a snow plough arose during the winter of 1904-05. That was a winter of unusual severity in the maritime provinces. There were prolonged detentions to trains on all the railways in that territory. Business was so much interrupted that in some localities there was inconvenience from shortage of provisions.

The general manager of the Dominion Atlantic Railway asked the Intercolonial for assistance to clear the track of the Windsor Branch, which assistance was given as soon as possible.

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When the branch was cleared to Windsor he asked that permission should be given for the snow plough to go upon the Dominion Atlantic Railway beyond the Windsor Branch; this was agreed to and the charge in the account is for that service.

The following telegrams will show the urgent requests that were made by the Dominion Atlantic Railway for assistance, and the difficulty that the Intercolonial Railway had in complying with them.

Telegram P. Gifkins, general manager, Dominion Atlantic Railway, to D. Pottinger, Ottawa:—

‘KENTVILLE, N.S., February 14th, 1905.

‘D. POTTINGER, Ottawa, Ont.

‘In the serious snow storms prevailing here we have disabled our two ploughs and cannot replace them from manufacturers. Can you possibly hire us two immediately. We have been blocked since Saturday and without ploughs we can make no headway. Please do your best.

‘(Sgd.) P. GIFKINS.’

Telegram D. Pottinger, general manager, Intercolonial Railway, to P. Gifkins, Kentville:

‘OTTAWA, 14th February, 1905.

‘P. GIFKINS, Kentville, N.S.

‘I am sorry for the difficulty you are in, in regard to snow ploughs. I have telegraphed to Mr. Price to ascertain whether he can do anything to help you, but we are in a very bad position ourselves in regard to snow, and I am not very sanguine that any can be spared as we have no extra ones.

‘(Sgd.) D. POTTINGER.’

Telegram J. E. Price, general superintendent, Intercolonial Railway, to D. Pottinger, Ottawa:—

‘MONCTON, N.B., February 14th, 1905.

‘D. POTTINGER, Ottawa.

‘Owing to the repeated storms, I do not see how it is possible for us to let Mr. Gifkins have even one snow plough. We have four ploughs now under repair and it is with the greatest difficulty that we are keeping the road open for passenger trains. This especially applies to the line east of Moncton. Mr. Gifkins had an engine and plough off the track six miles west of Windsor Junction yesterday. We attempted this morning to assist him with a plough but only got two miles from the Junction when the snow plough left the track on account of ice, and we put it on the track and took it back to Richmond. Trackmaster Kelly reports six inches to a foot of ice and water over the rails and cuttings, and track must be picked.

‘(Sgd.) J. E. PRICE.’

Telegram from D. Pottinger to P. Gifkins:—

OTTAWA, 15th February, 1905.

‘P. GIFKINS, Kentville, N.B.

‘I have a reply from Mr. Price who says that owing to the repeated storms he does not see how it is possible to let you have even one snow plough. We have four ploughs now disabled and under repairs, and it is with the greatest difficulty that we are keeping the road open for passenger trains. I am sorry that we cannot let you have the use of a plough at present.

‘(Sgd.) D. POTTINGER.



## APPENDIX No. 1

Telegram from P. Gifkins to D. Pottinger:—

KENTVILLE, N.S., 18th February, 1905.

‘D. POTTINGER, Ottawa.

‘We left Windsor yesterday afternoon at 2 p.m. with two engines and large number of men, and only reached Bib Bog bridge, half mile east of Ellershouse; returned to Windsor to coal and started again this morning at 12.10 with three engines and men and only made Dawson, a cut three miles east of Ellershouse. Engines out of coal and water and have to return to Windsor. Men wet through and exhausted. We now ask that engines and flangers be sent over the road from Windsor Junction to Windsor to open up the road as we have done our utmost without success and we can do no more. We are tied up as we have no coal and the situation is hopeless without your assistance.

(Sgd.) P. GIFKINS.

Telegram from P. Gifkins to D. Pottinger:—

‘KENTVILLE, N.S., February 19, 1905.

‘D. POTTINGER, Ottawa, Ont.

‘After you run two engines and flanger over branch to Windsor, is it your intention to follow with a plough to clear the cutting, and if this is done could we make arrangements with you to run plough through to Annapolis and return, as our ploughs are out of commission. We have no ice to contend with from Windsor to Annapolis.

‘(Sgd.) P. GIFKINS.’

Telegram D. Pottinger to P. Gifkins:—

‘OTTAWA, 20th February, 1905.

‘P. GIFKINS, Kentville, N.S.

‘I have your telegram of this date. Mr. Price informs me that Roadmaster Kelly was instructed some days ago to employ on the Windsor Branch all the men he could get and he has repeated those instructions to him to-day. I have telegraphed Mr. Price to instruct Kelly again in regard to the matter that he is to attend to it personally, and I have told Mr. Price to make a strong effort to assist you with engines, &c., in clearing the branch so that you may get coal.

‘(Sgd.) D. POTTINGER.

Telegram from P. Gifkins to D. Pottinger, Ottawa.—

‘KENTVILLE, N.B., February 21, 1905.

‘D. POTTINGER, Ottawa.

‘I received your wire of twentieth last night, and I thank you for the encouragement you hold out for opening Windsor Branch. Two engines and plough left Windsor Junction at eight this morning.

‘(Sgd.) P. GIFKINS.’

Telegram from D. Pottinger to J. E. Price, general superintendent, Intercolonial Railway:—

OTTAWA, 28th February, 1905.

‘J. E. PRICE, Moncton, N.B.

‘The department is receiving telegrams asking that assistance be sent to the Dominion Atlantic Railway to open the line in the Annapolis valley so as to relieve

8-9 EDWARD VII., A. 1909

the stress. What is the situation on the Dominion Atlantic Railway now, and what if any assistance could we render.

‘(Sgd.) D. POTTINGER.’

Telegram from J. E. Price to D. Pottinger:—

‘MONCTON, N.B., 28th February, 1905.

‘D. POTTINGER, Ottawa.

‘Line is clear between Kentville and Windsor Junction, but badly blocked between Kentville and Yarmouth, Mr. Gifkins says. Since we sent him a plough and two engines some days ago, he has not asked for further assistance. We asked if he could take our plough from Windsor to Annapolis and was told that he could do so, and says we have rendered him more assistance than he expected and that he would telegraph to minister to this effect.

‘(Sgd.) J. E. PRICE.  
D. POTTINGER.

OTTAWA, 29th April, 1909.

### EXHIBIT TT (a).

#### DOMINION ATLANTIC RAILWAY COMPANY.

GENERAL OFFICES, KENTVILLE, NOVA SCOTIA,

May 8, 1909.

THOS. S. HOWE, Esq.,

Clerk of Public Accounts Committee,  
House of Commons, Ottawa, Ont.

DEAR SIR,—In reply to your letter of 23rd April, the claim you refer to has now been paid and I inclose you a copy of my letter to Mr. Shannon.

Our claim of \$544.84 rendered to the Intercolonial Railway, April 23rd, 1905, is still unpaid.

Yours faithfully,

P. GIFKINS,  
*General Manager.*

### EXHIBIT U (b).

#### DOMINION ATLANTIC RAILWAY COMPANY.

GENERAL OFFICES, KENTVILLE, NOVA SCOTIA,

May 8, 1909.

S. L. SHANNON,

Comptroller, I.C.R.,

Moncton, N.B.

DEAR SIR,—Replying to your letter of 7th ult., with statement showing a claim of \$135.33, made up of various items, I am inclosing our cheque in payment thereof.

## APPENDIX No. 1

The two first items were apparently held over pending our liability, as there was no negligence on our part, and this particularly applies to the run off at Bennett's siding, the accident being caused by defective track; however, as it is too late to open up this question I am satisfying the claim.

The item for snow plough, &c., I may say, should be deducted from our claim of \$544.84 we rendered April 3rd, 1905, for labour in opening up the Windsor Branch at the time of the snow blockade in that year.

Will you kindly look into this contra account of ours?

Yours faithfully,

P. GIFKINS,  
*General Manager.*

## EXHIBIT U (a).

## INTERCOLONIAL RAILWAY.

MEMORANDUM in regard to claims of the Intercolonial Railway against the Department of Militia and Defence.

Balance shown at 31st March 1908.. . . .	\$6,708 82
Paid since.. . . .	4,932 35
	<hr/>
Leaving in dispute.. . . .	\$1,776 47
	<hr/> <hr/>

I attach a statement from July, 1875, which shows in the right hand column the amounts deducted by the Militia Department and left unpaid each year.

In many cases the deductions were made without any reason being given.

With the exception of the following amounts, namely:—

1885, May 31, damage to cars.. . . .	\$ 5 70
1885, June 30                   "     .. . . .	15 05
1895, July 31                   "     .. . . .	7 36
1896, Oct. 31                   "     .. . . .	14 61
	<hr/>
	\$42 72
	<hr/> <hr/>

All the other charges are for the transport of passengers and freight.

The items for damage to cars are for the breakage of seats, lamps, windows, doors, and other parts of passenger cars, by troops when being transported to and from camps.

D. POTTINGER.

OTTAWA, 30th April, 1909.

## EXHIBIT U (b).

MONCTON.

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Department of Militia and Defence, Ottawa, Ont.,

To the Intercolonial Railway, Dr.

		Cr.	Dr.	Cr. Balance.	Dr. Balance.
		\$ cts.	\$ cts.	\$ cts.	\$ cts.
1875.					
July 31	To account rendered		1,062 78		
August 31	"		44 49		
Sept. 30	"		234 41		
August 31	By cash	105 61			
October 31	"	93 43			
Nov. 30	"	1,093 96			
		1,293 00	1,341 68		48 68
1876.					
August 31	To account rendered		210 56		
Nov. 30	By cash	208 55			
		208 55	210 56		2 01
1877.					
June 30	To account rendered		71 72		
October 31	"		39 01		
Nov. 30	"		44 23		
Dec. 31	"		17 20		
Sept. 30	By cash	65 00			
		65 00	172 16		107 16
1878.					
July 31	To account rendered		178 18		
August 31	"		552 09		
October 31	"		48 23		
Nov. 30	"		387 26		
Feb. 28	By cash	72 31			
March 31	"	30 60			
Sept. 30	Credit	94 10			
October 31	By cash	451 78			
Dec. 31	"	47 63			
		696 42	1,165 76		469 34
1879.					
Jan. 31	To account rendered		96 50		
Feb. 28	"		48 81		
March 31	"		24 24		
April 30	"		210 25		
August 31	"		78 07		
Sept. 30	"		222 10		
October 31	"		51 04		
Nov. 30	"		55 71		
Jan. 31	By cash	398 19			
March 31	"	87 50			
July 31	"	278 89			
Dec. 31	"	343 00			
		1,097 58	786 72	310 86	



## APPENDIX No. 1

		Cr.	Dr.	Cr. Balance.	Dr. Balance.
		\$ cts.	\$ cts.	\$ cts.	\$ cts.
1880.					
May 31	To account rendered		786 29		
June 30	"		79 82		
July 31	"		376 88		
August 31	"		95 15		
Sept. 30	"		46 28		
October 31	"		13 74		
Jan. 31	By cash	55 31			
July 31	"	500 00			
August 31	"	186 29			
October 31	"	447 13			
Dec. 31	"	23 49			
		1,212 22	1,398 16		185 94
1881.					
June 30	To account rendered		3,348 35		
July 31	"		6,397 88		
August 31	"		277 94		
Sept. 30	"		35 04		
October 31	"		50 85		
Nov. 30	"		1 59		
Jan. 31	By cash	36 53			
October 31	"	8,276 23			
Nov. 30	"	1,341 93			
		9,654 69	10,111 65		456 96
1882.					
Sept. 30	To account rendered		1,496 99		
Jan. 31	By cash	444 82			
		444 82	1,496 99		1,052 17
1885.					
Sept. 30	To account rendered		5 70		
June 30	"		15 05		
October 31	"		59 48		
Jan. 31	By cash	235 46			
		235 46	80 23	155 23	
1886.					
March 31	By cash	59 48			
		8 76			
		68 24		68 24	
1890.					
July 31	To account rendered		66 64		66 64
1895.					
July 31	To account rendered		7 36		7 36
1896.					
October 31	To account rendered		14 61		14 61
1900.					
June 30	By credit	13 00		13 00	

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		Cr.	Dr.	Cr. Balance.	Dr. Balance.
		\$ cts.	\$ cts.	\$ cts.	\$ cts.
1904.					
October 31	By credit.....	87 17		87 17	
1906.					
Feb.	To amount short paid Nov., 1905..		10		10
				634 50	2,410 97
	Deduct credit balance.....				634 50
	Amount due I. C. Ry.....				1,776 47

## EXHIBIT UU.

DEPARTMENT OF MILITIA AND DEFENCE,  
OTTAWA, April 28, 1909.

SIR,—With reference to your letter of the 23rd instant, respecting an amount of \$1,776.47 stated to be due by this department to the Intercolonial Railway, I have the honour to inform you that, so far as the records of this department show, there is no such amount due the said railway.

The only accounts of the Intercolonial Railway which are unpaid, are some which have been incurred since January, 1909, amounting to \$696.25, which will be paid as soon as funds are available.

I am writing to the comptroller and treasurer of the Intercolonial Railway, at Moncton, requesting a detailed statement showing how the amount referred to in your letter has been arrived at, and shall communicate with you again, with reference to the matter in due course.

I have the honour to be, sir,

Your obedient servant,

AUG. FISET, *Colonel*,

*Deputy Minister.*

THOS. S. HOWE, Esq.,

Clerk of the Public Accounts Committee,  
House of Commons, Ottawa.

## EXHIBIT V (a).

## INTERCOLONIAL RAILWAY—STORES ACCOUNT.

*Stores Balance, 31st March, 1908, \$1,509,673.88.*

Moncton store.. . . .	\$ 355,699 99
Stationery.. . . .	7,332 03
Roadway and bridge material.. . . .	1,028,062 43
Richmond store.. . . .	13,378,62
Mechanical stores at various places.. . . .	82,659 44
Fuel store.. . . .	21,488 33
*Superintendent 3rd Division.. . . .	1,052 54
	<hr/>
	\$1,509,673 88
Ledger balance, 31st March, 1908.. . . .	1,365,935 64
	<hr/>
Difference.. . . .	\$ 143,738 24.
	<hr/>

## EXHIBIT V (b).

## SUPERINTENDENT, THIRD DIVISION.

*(Document handed to Mr. Ames by Mr. Pottinger.)*

\*The balance as shown on the Balance Sheet of the Superintendent of 3rd Division, as of March 31st, 1908, consists of invoice for cost of services performed by employees under the jurisdiction of the said superintendent, chargeable to accounts under the supervision of other departments. These invoices were taken into account by the other departments and charged out through their material distribution to the proper expense accounts, in the following month.

Submitted by Mr. Shannon.

# **EXHIBIT VV.** **INTERCOLONIAL RAILWAY.**

**STATEMENT of Material on Windsor Branch, March 31, 1908.**

Quantity.	Description of Articles.	Price.		Detailed Amount.	Total Amount.
		\$	cts.	\$	cts.
2,724	New $\frac{7}{8}$ -in. ordinary track bolts.....	0	04	108	96
9,815	" new 6-in track spikes .....	0	03	294	57
225	" wire nails.....	0	02 $\frac{1}{2}$	5	63
437	" wire spikes .....	0	02 $\frac{1}{4}$	9	79
3	Sacks salt.....	0	50	1	50
1	Gal. black oil.....	0	30	0	30
4	Gal. signal oil.....	0	52	2	08
15	Wood frame gates.....	3	00	45	00
28	New switch locks.....	0	75	21	00
6	Adzes.....	0	75	4	50
1	Chopping axe.....	0	60	0	60
1	Slim axe.....	0	60	0	60
8	Augers.....	0	50	4	00
4	Claw bars.....	3	00	12	00
1	Corn broom.....	0	20	0	20
3	1-gal. can.....	0	15	0	45
1	5-gal. can.....	0	30	0	30
8	Hand car brasses.....	0	25	2	00
27	Flags.....	0	15	4	05
4	White globes.....	0	05	0	20
9	Red and green globes.....	0	20	1	80
2	Spiking hammers.....	1	50	3	00
1	Striking hammer.....	1	50	1	50
22	Axe and hammer handles.....	0	10	2	20
4	White lanterns.....	0	50	2	00
2	Tape lines.....	1	00	2	00
6	Track picks.....	0	50	3	00
3	Cross-cut saws.....	1	30	3	90
3	Hand saws.....	0	35	1	05
4	Grass scythes.....	0	45	1	80
4	Scythe snaths.....	0	50	2	00
4	" stones.....	0	05	0	20
16	Track shovels.....	0	75	12	00
6	" spades.....	0	75	4	50
34	Switch keys.....	0	15	5	10
3 $\frac{1}{2}$	Dozen torpedoes..... per doz.	0	15	0	53
4	Track wrenches.....	1	00	4	00
4	Monkey ".....	1	00	4	00
3	Garden hoses.....	0	30	0	90
5	Panes glass, 20 x 34.....	0	40	2	00
62	" 12 x 16.....	0	08	4	96
7	" 15 x 30.....	0	18	1	26
98	" 18 x 36.....	0	35	34	30
164	" 10 x 12.....	0	05	8	20
129	" 10 x 14.....	0	05	6	44
24	" 13 x 13.....	0	10	2	40
13	" 10 x 12.....	0	05	0	65
158,281	Ft. p. w. steel rail, 67 lbs. per yd.—3,534,942 33 lbs..	2,240			
		22	50	35,507	23
224	" scrap " 67 " —5,002·66 lbs..	2,000			
		11	75	29	39
3,495	" p. w. " 56 " —65,240 lbs...	2,240			
		22	50	655	31
5,021	" scrap " 56 " —93,725·33 lbs.....	2,000			
		11	75	550	64
2,166	" scrap iron rail, 56 " —40,432 lbs.....	12	25	247	65
3,000	Lbs. scrap frogs.....	11	75	17	63
3,965	" steel scrap.....	10	20	20	22
3,125	" wrought scrap.....	15	00	23	44
2,850	" cast ".....	10	00	14	25
30	New 4 $\frac{1}{2}$ in. guard rails.....	8	33	249	90
34	P. W. ".....	6	00	204	00
1,244	" rail braces.....	0	08	99	52
1,392	" track bolts.....	0	02	27	84
1,109	Prs. p. w. 4 in. bars.....	0	25	277	25
1,578	" " angles.....	0	38	599	64
6,312	" " 4 $\frac{1}{2}$ angles.....	0	45	2,840	00

573 21



## APPENDIX No. 1

## STATEMENT of Material on Windsor Branch, March 31, 1908.—Continued.

Quantity.	Description of Articles.	Price.	Detailed Amount.	Total Amount.
		\$ cts.	\$ cts.	\$ cts.
2	New rigid frogs, 4½ in.	26 50	53 00	
4	P. W. " "	20 00	80 00	
1	Rigid frog for repairs	13 00	13 00	
1	New diamond frog	225 00	225 00	
10,201	No. 1 ties	0 32	3,264 32	
36	No. 2 ties	0 26	9 36	
7	Sets of hemlock switch ties	34 00	238 00	
2	Head blocks	2 00	4 00	
7,323	Cedar posts, 9 ft.	0 10	732 30	
75	Lbs. galvanized nails	0 05½	4 13	
575	" fence staples	0 03	17 25	
1,280	Positive nut locks	0 00¾	9 60	
500	Thomas " "	0 02½	12 50	
				46,660 19
16	Guard rail fastenings	0 15	2 40	
8	Files	0 15	1 20	
6	Joints of stovepipe	0 10	0 60	
2	Elbows	0 12	6 24	
8	Gate gudgeons	0 25	2 00	
4	New head chairs	2 25	9 00	
25	P. W. tie rods	0 90	22 50	
39	" connecting rods	7 50	292 50	
2	Head chairs, p. w.	1 35	2 70	
7	" rods	1 25	8 75	
2	Hopper latch rods, p. w.	1 20	2 40	
5	" knees	0 70	3 50	
2	Ramapo stand	14 50	29 00	
2	" new	19 50	39 00	
1	Set new 4½ split switch	45 00	45 00	
1,488	Ft. B.M. pine deal, 3-in	15 00	22 32	
1,554	" " plank	18 00	27 97	
4,000	" " dressed	24 00	96 00	
2,511	" " clapboards	22 00	55 24	
4,957	" " timber	20 00	99 14	
1,500	" spruce timber	16 00	24 00	
7,684	" " deals	14 00	107 58	
467	" " fence boards	14 00	6 54	
7,327	" " boards	15 00	109 91	
12,617	" hemlock deal	11 00	138 79	
1,334	" cedar timber	16 50	22 01	
1,691	Lin. ft. flatted cedar, 3 x 5	0 02	33 82	
3,156	" " "	0 02	63 12	
2	Cedar semaphore posts	4 50	9 00	
2,000	" shingles	2 50	5 00	
300	Ft. B.M. birch flooring	32 00	9 50	
9	Prs. gate hinges	0 50	4 50	
30	Lag screws	0 02	0 60	
10	White lead, lbs.	0 06½	0 65	
200	Pig lead, lbs.	0 04	8 00	
11	Rim locks	0 20	2 20	
18	Lbs. putty	0 03	0 54	
3	Doz. wood screws	0 03	0 09	
2	Bbls. carbolinum	45 00	90 00	
1	Globe stove	9 00	9 00	
3	Paint drums	0 80	2 40	
				1,408 81
2,400	Shims	0 01	24 00	
9	Bags salt	0 50	4 50	
1,998½	Rods of page wire	0 42	839 37	
400	" woven wire	0 30	120 00	
200	" ideal "	0 25	50 00	
1,080	" N.B. "	0 28	302 40	
4	Point blocks, p. w.	0 10	0 40	
6	Bbls. cement	2 50	15 00	
90	Ft. steel rail to cut, 56 lbs. per yd.—1,680 lbs.	(2,240 lbs. 18 60	13 50	
				1,369 17
	Total			49,438 17

**EXHIBIT W.**

CERTIFIED copy of a Report of the Committee of the Privy Council, approved by His Excellency the Governor General on the 21st September, 1899.

On a memorandum dated 16th September, 1899, from the Minister of Railways and Canals, representing that by the Railway Subsidy Act, 51 Vict., chap. 3 (1888), the following grant was authorized:—

‘To the Kent Northern Railway Company of New Brunswick, a grant as subsidy (the road to be first laid with new steel rails weighing not less than 56 pounds per lineal yard, and after an Order in Council has been passed authorizing their transfer to the company) of 2,549 tons of used iron rails and fastenings loaned to the company, which rails and fastenings stand in the Public Accounts as an asset for \$58,334.27.’

The minister further represents that application having been made on behalf of the company to the effect that they had purchased rails to replace the above loaned rails, but that there still remained three miles of the old iron rails, to replace which they desired to purchase used steel rails from the Intercolonial Railway, the department has had an examination made by the chief engineer of the Intercolonial, and his report substantially bears out the said statement, showing that the road is now laid with steel rails, except for the three miles.

The minister under these circumstances recommends that on the purchase of these rails from the Intercolonial, and the relaying therewith of the three miles in question, the said Subsidy Act be held to have been complied with, and the whole quantity loaned to the company be transferred accordingly.

The committee submit the same for Your Excellency's approval. .

*Assistant Clerk of the Privy Council.*

**EXHIBIT X.****MONTREAL TURNPIKE TRUST.**

MEMORANDUM of information requested by Mr. Thomas S. Howe, Clerk of Committee, by a resolution passed by the Sub-Committee on Balance Sheet of Public Accounts, dated 27th day of April, 1909.

## APPENDIX No. 1

## EXHIBIT X (a).

STATEMENT showing Receipts and Expenditures from 1st January, 1895, to 31st December, 1908.

Years.	Toll Receipts.	Maintenance of Roads.	General Expenses.	Interest.	Total Disburse- ments.	Surplus.	Deficit.
	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
1895.....	52,197 19	30,788 25	6,390 68	551 67	37,730 60	14,466 59	
1896.....	49,997 02	35,195 96	7,175 96	10,500 00	52,871 92		2,874 90
1897.....	44,441 11	38,263 44	13,382 20	543 35	52,188 99		7,747 88
1898.....	50,491 47	34,929 51	9,591 38	561 52	45,082 41	5,409 06	
1899.....	42,755 37	32,309 92	8,124 72	192 48	40,627 12	2,128 25	
1900.....	43,359 19	{ 33,977 35 * 9,688 68 }	8,531 12	534 79	52,731 94		9,352 75
1901.....	39,241 93	{ 25,484 12 * 573 69 }	7,872 47	624 67	34,554 95	4,686 98	
1902.....	38,870 05	{ 23,697 59 + 125 57 }	7,474 81	367 27	31,665 24	7,204 81	
1903.....	46,176 95	{ 33,415 44 * 5,686 00 }	7,444 46	31 25	46,577 19		400 24
1904.....	42,710 55	{ 31,267 35 * 1,046 85 }	8,292 78	128 79	40,735 77	1,974 78	
1905.....	43,725 18	{ 35,905 79 + 304 30 }	8,136 50	162 81	44,509 40		784 22
1906.....	47,622 40	{ 41,473 53 + 5 00 }	8,415 62	92 50	49,986 65		2,364 25
1907.....	49,615 39	34,350 02	10,201 87	119 30	44,671 19	4,944 20	
1908.....	48,251 79	40,043 18	11,103 23	81 65	51,228 06		2,976 27

\* Bridges. + Repairs.

MONTREAL, April 29th, 1909.

## EXHIBIT X (b).

## MONTREAL TURKPIKE TRUST.

STATEMENT showing Assets and Liabilities from the 1st January, 1895, to 31st December, 1908.

Date.		Assets.	Liabilities.
		\$ cts.	\$ cts.
1895.	ASSETS.		
Dec. 31	General accounts, Montreal Turnpike Trust.....	402,715 91	
	Suspense account.....	33,696 00	
	Movables—Steam roller..... \$ 3,323 05		
	Sweepers..... 1,226 61		
		4,549 66	
	Immovables—Greece bridge.....	4,922 07	
	Outstanding Accounts—		
	Municipality of Verdun.....	500 00	
	Cash—Balance December 31, 1895.....	10,977 06	
	LIABILITIES.		
" 31	Receiver General—Balance December 31, 1894.....		229,021 59
	Debentures.....		187,200 00
	Sundry creditors.....		50 00
	Balance profit and loss account.....		41,089 11
		457,360 70	457,360 70
1896.	ASSETS.		
Dec. 31	General accounts, Montreal Turnpike Trust.....	220,190 32	
	Movables—Steam roller..... \$ 3,323 05		
	Sweepers..... 1,226 61		
		4,549 66	
	Immovables—Greece bridge.....	5,348 78	
	Outstanding accounts—		
	Municipality of Verdun.....	500 00	
	Montreal Park and Island Railway.....	200 00	
	Cash—Balance December 31, 1896.....	8,329 45	
	LIABILITIES.		
" 31	Debentures.....		200,000 00
	Receiver General, December 31, 1896.....		3,500 00
	Balance profit and loss account.....		35,618 21
		239,118 21	239,118 21
1897.	ASSETS.		
Dec. 31	Road capital accounts.....	220,190 32	
	Steam roller..... \$ 3,323 05		
	Road sweepers..... 1,226 61		
		4,549 66	
	Outstanding accounts—		
	Park and Island Railway..... \$ 200 00		
	Town of Ste. Cunegonde..... 95 00		
	" Outremont..... 310 59		
	" Maisonneuve..... 108 41		
	City of Montreal..... 13 00		
		733 00	
	Cash account.....	4,048 91	
	LIABILITIES.		
" 31	Debentures.....		195,000 00
	Receiver General and interest.....		6,825 00
	Paul Galibert, loans.....		12,000 34
	Balance profit and loss account.....		15,696 55
		229,521 89	229,521 89



## APPENDIX No. 1

## MONTREAL TURNPIKE TRUST.—Assets and Liabilities.—Continued.

Date.		Assets.	Liabilities.
1893.	ASSETS.	\$ cts.	\$ cts.
Dec. 31	Road capital account.....	220,190 32	
	Steam roller.....\$3,323 05		
	Road sweepers.....1,226 61		
		4,549 66	
	Outstanding accounts—		
	Town of Maisonneuve.....\$ 108 41		
	Town of Westmount.....408 20		
	Montreal Park and Island Ry.....200 00		
	Town of St. Henri.....157 32		
	R. A. Williams.....24 00		
	Town of Lachine.....100 00		
	St. Michel Road Co.....278 50		
		1,276 43	
	LIABILITIES.		
" 31	Debentures.....		195,000 00
	Receiver General and interest.....		13,650 00
	Paul Galibert loan.....		2,000 00
	Balance profit and loss account.....		14,280 61
	Cash account—overdraft at the bank.....		1,085 80
1899.	ASSETS.	226,016 41	226,016 41
Dec. 31	Road capital account.....	220,190 32	
	Steam roller.....\$3,323 05		
	Road sweepers.....1,226 61		
		4,549 66	
	Outstanding accounts—		
	Town of Maisonneuve.....\$ 123 81		
	" St. Louis Mile End.....215 00		
	" Outremont.....5 50		
	" Lachine.....545 82		
	St. Michel Road Co.....190 15		
	Town of St. Henri.....158 32		
		1,238 60	
	Cash account.....	1,080 28	
	LIABILITIES.		
" 31	Debentures.....		195,000 00
	Receiver General, interest.....		20,475 00
	Paul Galibert loan.....		2,000 00
	Profit and loss account.....		9,583 86
		227,058 86	227,058 86
1900.	ASSETS.		
Dec. 31	Roads capital account.....	220,190 32	
	Outstanding accounts—		
	Town of St. Louis Mile End.....\$ 252 50		
	" St. Henri.....158 32		
	" Verdun.....731 04		
	St. Michel Road Co.....184 30		
	Oblats Fathers.....19 20		
		1,345 36	
	Steam roller.....\$3,323 05		
	Road sweeper.....1,226 61		
		4,549 66	
	Profit and loss.....	6,613 89	
	LIABILITIES.		
" 31	Debentures.....		195,000 00
	Receiver general, interest.....		27,300 00
	Account due by Trust—Amiot & Lemay.....		3,000 00
	Cash account.....		5,399 23
		232,699 23	232,699 23

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## MONTREAL TURNPIKE TRUST.—Assets and Liabilities.—Continued.

Date.		Assets.	Liabilities.
1901.	ASSETS.	\$ cts.	cts.
Dec. 31	Roads capital account.....	220,190 32	
	Outstanding accounts—		
	Town of Verdun.....\$ 43 96		
	St. Michel Road Co.....135 29		
	Town of St. Paul.....123 40		
	Sisters of Congregation.....20 00		
	Lachine canal.....176 25		
		498 90	
	Steam roller.....\$3,323 05		
	Roads sweepers.....1,226 61		
		4,549 66	
	Profit and loss.....8,751 91		
	Cash account.....159 21		
	LIABILITIES.		
" 31	Debentures.....		195,000 00
	Receiver General, interest.....		34,125 00
	Paul Galibert loans.....		2,000 00
	Accounts due by Trust—		
	Amiot & Lemay.....\$1,000 00		
	Joseph Lebeau.....2,000 00		
	Deposits accounts.....25 00		
			3,025 00
1902.	ASSETS.	234,150 00	234,150 00
Dec. 31	Roads capital account.....	220,190 32	
	Outstanding accounts—		
	St. Michel Road Co.....\$ 259 67		
	Sisters Congregation.....20 00		
	Town of St. Henri.....133 32		
		412 99	
	Steam roller.....\$3,323 05		
	Roads sweepers.....1,226 61		
		4,549 66	
	Profit and loss.....8,372 10		
	Cash account.....2,863 31		
	LIABILITIES.		
" 31	Debentures.....		195,000 00
	Receiver General, interest.....		40,950 00
	Account due by Trust—Town of Outremont.....		438 38
1903.	ASSETS.	236,388 38	236,388 38
Dec. 31	Roads capital account.....	220,190 32	
	Outstanding accounts—		
	Town of Verdun.....\$ 934 32		
	" St. Henri.....307 32		
	" St. Louis.....237 50		
	City of Montreal.....257 50		
	St. Michel Road Co.....224 11		
	The Alpha Paving Co.....86 75		
	Joseph Decarie fils.....83 34		
	H. Meunier.....4 00		
	Montreal Street Ry.....4 00		
		2,138 84	
	Steam roller.....\$3,323 05		
	Roads sweepers.....1,226 61		
		4,549 66	
	Profit and loss.....15,597 30		
	Cash account.....756 41		
	LIABILITIES.		
" 31	Debentures.....		195,000 00
	Receiver General, interest.....		47,775 00
	Accounts due by Trust—		
	Town of Outremont.....432 53		
	Deposit account.....25 00		
			457 53
		243,232 53	243,232 53

## APPENDIX No. 1

MONTREAL TURNPIKE TRUST.—Assets and Liabilities.—*Continued.*

Date.		Assets.	Liabilities.
1904.		\$ cts.	¢ cts.
Dec. 31	Roads, capital account .....	220,190 32	
	Outstanding accounts—		
	Parish of Cote St. Paul .....	\$ 100 00	
	Town of Maisonneuve .....	108 41	
	St. Michel Road Co. ....	195 99	
	Town of Verdun.....	1,924 70	
		2,329 10	
	Steam roller.....	3,322 05	
	Road sweepers.....	1,226 61	
		4,549 66	
	Profit and loss account.....	20,534 27	
	Cash account.....	2,397 48	
	LIABILITIES.		
" 31	Receiver General, interest .....		54,600 00
	Debentures .....		195,000 00
	Accounts due by Trust—		
	Town of Outremont.....		225 83
	Deposit account.....		175 00
	ASSETS.	250,000 83	250,000 83
1905.			
Dec. 31	Roads, capital account.....	220,190 32	
	Outstanding accounts—		
	Parish of St. Paul .....	\$ 300 00	
	City of Montreal .....	42 40	
	St. Michel Road Co .....	195 00	
	H. Meunier.....	1 00	
	Town of Verdun .....	2,859 02	
	Credit Municipal Can .....	233 20	
		3,630 62	
	Steam roller.....	3,323 05	
	Roads sweepers .....	1,226 61	
		4,549 66	
	Profit and loss account.....	28,143 49	
	Cash account.....	2,188 31	
	LIABILITIES.		
" 31	Debentures .....		195,000 00
	Receiver General, interest .....		61,425 00
	Accounts due by Trust—		
	Joseph Toupin.....	\$ 127 40	
	Deposits accounts .....	150 00	
	Credit Municipal Can .....	2,000 00	
			2,277 40
1906.			
	ASSETS.	258,702 40	258,702 40
Dec. 31	Roads, capital account.....	220,190 32	
	Outstanding accounts—		
	Parish of Cote St. Paul.....	\$ 100 00	
	City of Montreal .....	42 40	
	St. Michel Road Co.....	205 00	
	H. Meunier, dit Lagace.....	2 00	
	Village of Beaurivage.....	30 00	
	Credit Municipal Can.....	664 60	
	Daniel McGee.....	1 34	
	Patrick McGee.....	1 16	
	Michael Hughes.....	1 17	
	City of Montreal .....	133 32	
		1,180 99	
	Steam roller account.....	2,323 05	
	Road sweepers.....	1,226 61	
		4,549 66	
	Profit and loss.....	37,332 74	
	Cash account.....	2,657 16	

## MONTREAL TURNPIKE TRUST.—Assets and Liabilities.—Continued.

Date.		Assets.	Liabilities.
1906.	LIABILITIES.	\$ cts.	\$ cts.
Dec. 31	Debentures .....		195,000 00
	Receiver General, interest .....		68,250 00
	Accounts due by Trust—		
	Deposit account .....	\$ 150 00	
	Credit Municipal Can .....	2,000 00	
	Frank McGee .....	39 67	
	Joseph Toupin fils .....	472 20	
			2,661 87
1907.	ASSETS.	265,911 87	265,911 87
Dec. 31	Roads, capital account .....	220,190 32	
	Outstanding accounts—		
	City of Montreal .....	\$ 229 08	
	" .....	380 14	
	" .....	267 60	
	" .....	95 00	
	" .....	1,193 04	
	Credit Municipal Can .....	716 50	
	St. Michel Road Co .....	224 03	
	H. Meunier .....	3 00	
	Citizens Light, Heat and Power .....	40 00	
	Town of Verdun .....	934 32	
	Powell Paving Co .....	86 00	
	Town of Maisonneuve .....	108 41	
	" Westmount .....	408 20	
	Montreal Park and Island Railway .....	200 00	
	Montreal Street Railway .....	1 00	
		4,886 32	
	Steam roller account .....	3,323 05	
	Roads sweepers .....	1,226 61	
		4,549 66	
	Profit and loss account .....	39,213 54	
	Cash account .....	3,972 08	
	LIABILITIES.		
" 31	Debentures .....		195,000 00
	Receiver General, interest .....		75,075 00
	Accounts due by Trust—		
	Deposits accounts .....	\$ 250 00	
	Credit Municipal Can .....	2,000 00	
	Frank McGee .....	39 67	
	Joseph Toupin fils .....	126 00	
	Alphonse Laplante .....	182 40	
	McGee Estate .....	138 85	
			2,736 92
1908.	ASSETS.	272,811 92	272,811 92
Dec. 31	Roads, capital account .....	220,190 32	
	Outstanding accounts—		
	Credit Municipal Can .....	\$ 1,726 77	
	St. Michel Road Co .....	225 00	
	H. Meunier .....	3 00	
	Town of St. Paul .....	100 00	
	" Verdun .....	934 32	
	Frank Sunner .....	30 00	
		3,019 09	
	Steam roller .....	3,323 03	
	Roads sweepers .....	1,226 61	
		4,549 66	
	Profit and loss account .....	49,100 81	
	Cash account .....	2,411 45	



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MONTREAL TURNPIKE TRUST.—Assets and Liabilities.—*Continued.*

Date.		Assets.	Liabilities.
		\$ cts.	\$ cts.
1908.	LIABILITIES.		
Dec. 31	Debentures account.....		195,000 00
	Receiver General, interest .....		81,900 00
	Accounts due by Trust -		
	Deposits accounts ... .. \$ 225 00		
	Credit Municipal Can .....	2,000 00	
	Town of Outremont .....	146 33	
			2,371 33
		279,271 33	279,271 33

## EXHIBIT X (c).

## MONTREAL TURNPIKE TRUST.

STATEMENT showing the amounts paid to each commissioner Fees and Services and Travelling Expenses from the 1st January, 1895 to 31st December, 1908.

Years.	Commissioners.	Fees.	Services.	Travelling Expenses.	Total.
		\$ cts.	\$ cts.	\$ cts.	\$ cts.
1895.....	Richard White.....	70 00	490 00	90 37	650 37
	J. M. Crawford.....	10 00			10 00
	Hormisdas Lapointe.....	90 00		90 37	180 37
	Azarie Lamarche.....	100 00	100 00	90 38	290 38
	Francois Deguire.....	100 00		90 38	190 38
	Charles Chaput.....	10 00			10 00
	John Parker.....	10 00			10 00
	James Drummond.....	10 00			10 00
	S. J. Doran.....	90 00		90 38	180 38
		490 00	590 00	451 88	1,531 88
1896....	Richard White.....	65 00	517 00	174 25	756 25
	Azarie Lamarche.....	65 00	117 00	174 26	356 26
	S. J. Doran.....	65 00	17 00	174 26	256 26
	Hormisdas Lapointe.....	55 00	17 00	174 26	246 26
	Francois Deguire.....	65 00	17 00	174 25	256 25
		315 00	685 00	871 28	1,871 28
1897 ..	Richard White.....	20 00	28 00		48 00
	Azarie Lamarche.....	80 00	28 00		108 00
	S. J. Doran.....	75 00	28 00		103 00
	Hormisdas Lapointe.....	15 00	28 00		43 00
	Francois Deguire.....	15 00	28 00		43 00
	Paul Galibert.....	135 00			135 00
	Thomas A. Trenholme.....	125 00		25 00	150 00
	Charles Meunier.....	125 00			125 00
	James Cochrane.....	55 00			55 00
	Joseph Lebeau.....	60 00			60 00
		705 00	140 00	25 00	870 00
1898.....	Paul Galibert.....	95 00			95 00
	Thomas A. Trenholme.....	110 00			110 00
	Charles Meunier.....	110 00			110 00
	James Cochrane.....	105 00			105 00
	Joseph Lebeau.....	115 00			115 00
		535 00			535 00
1899.....	Paul Galibert.....	65 00	200 00		265 00
	Thomas A. Trenholme.....	65 00	200 00		265 00
	Charles Meunier.....	65 00	200 00		265 00
	James Cochrane.....	55 00	200 00		255 00
	Joseph Lebeau.....	70 00	200 00		270 00
		320 00	1,000 00		1,320 00
1900 .....	Paul Galibert.....	120 00	200 00		320 00
	Thomas A. Trenholme.....	115 00	200 00		315 00
	Charles Meunier.....	120 00	200 00		320 00
	James Cochrane.....	85 00	200 00		285 00
	Joseph Lebeau.....	5 00			5 00
	J. D. St. Pierre.....	55 00	200 00		255 00
		500 00	1,000 00		1,500 00

## APPENDIX No. 1

## MONTREAL TURNPIKE TRUST.

STATEMENT showing the amounts paid to each commissioner Fees and Services and Travelling Expenses from the 1st January, 1895 to 31st December, 1908.

Years.	Commissioners.	Fees.	Services.	Travelling Expenses.	Total.
		\$ cts.	\$ cts.	\$ cts.	\$ cts.
1901.....	Paul Galibert.....	70 00	200 00		270 00
	Thomas A. Trenholme.....	70 00	200 00		270 00
	Charles Meunier.....	70 00	200 00		270 00
	James Cochrane.....	50 00	200 00		250 00
	J. D. St. Pierre.....	75 00	200 00		275 00
		335 00	1,000 00		1,335 00
1902 ..	Paul Galibert.....	100 00	200 00		300 00
	Thomas A. Trenholme.....	100 00	200 00		300 00
	Charles Meunier.....	105 00	200 00		305 00
	James Cochrane.....	75 00	200 00		275 00
	J. D. St. Pierre.....	100 00	200 00		300 00
		480 00	1,000 00		1,480 00
1903... ..	Paul Galibert.....	95 00	200 00		295 00
	Thomas A. Trenholme.....	100 00	200 00		300 00
	Charles Meunier.....	10 00			10 00
	James Cochrane.....	80 00	200 00		280 00
	J. D. St. Pierre.....	100 00	200 00		300 00
	Remi Gohier, Sr.....	85 00	200 00		285 00
		470 00	1,000 00		1,470 00
1904 .....	Paul Galibert.....	85 00	300 00		385 00
	Thomas A. Trenholme.....	95 00	300 00		395 00
	Remi Gohier, Sr.....	100 00	300 00		400 00
	James Cochrane.....	60 00	300 00		360 00
	J. D. St. Pierre.....	100 00	300 00		400 00
		440 00	1,500 00		1,940 00
1905... ..	Paul Galibert.....	115 00	375 00		490 00
	Thomas A. Trenholme.....	105 00	375 00		480 00
	Remi Gohier, Sr ..	115 00	375 00		490 00
	James Cochrane.....	30 00			30 00
	J. D. St. Pierre.....	115 00	375 00		490 00
		480 00	1,500 00		1,980 00
1906.....	Paul Galibert.....	75 00	300 00		375 00
	Thomas A. Trenholme.....	110 00	300 00		410 00
	Remi Gohier, Sr.....	115 00	300 00		415 00
	J. D. St. Pierre.....	110 00	300 00		410 00
	William Sinnamon.....	110 00	300 00		410 00
		520 00	1,500 00		2,020 00
1907.....	L. A. Boyer.....	95 00	500 00		595 00
	Paul Galibert.....	120 00	500 00		620 00
	Thomas A. Trenholme.....	125 00	500 00		625 00
	Remi Gohier, Sr.....	130 00	500 00		630 00
	J. D. St. Pierre.....	5 00			5 00
	William Sinnamon.....	125 00	500 00		625 00
		600 00	2,500 00		3,100 00
1908 ..	Paul Galibert.....	110 00	600 00		710 00
	Thomas A. Trenholme.....	115 00	600 00		715 00
	Remi Gohier, Sr..	110 00	600 00		710 00
	L. A. Boyer.....	90 00	600 00		690 00
	William Sinnamon.....	80 00	600 00		680 00
		505 00	3,000 00		3,505 00

## EXHIBIT X (d).

## MONTREAL TURNPIKE TRUST.

STATEMENT showing part of the roads ceded to several municipalities up to date.

Municipalities.	Miles.	Feet.	Capital.	Total.		Total capital.
				Miles.	Feet.	
			\$ cts.			\$ cts.
City of Montreal.....	3	886	12,672 00			
".....	2	1,210	8,920 00			
".....		2,090	1,584 00			
".....	1	587	4,444 70			
".....		2,108	1,596 00			
".....	2	1,908	9,444 00			
".....	3	1,553	13,176 00			
Town of Westmount.....	1	3,720		12	5,062	51,836 70
" Maisonneuve.....				1	3,720	6,803 22
" Outremont.....				1	4,770	3,613 64
" Lachine.....				1	2,807	6,126 40
" Verdun.....				1	1,677	5,272 00
" St. Paul.....				3	4,717	15,572 08
" St. Louis.....					3,780	2,864 00
Parish of St. Paul.....				2	217	8,172 00
					1,827	1,380 00
				25	2,177	101,640 04
				Miles.	Feet.	Capital.
						\$ cts.
Total length of the roads.....				58	4,333	235,360 00
Total roads ceded to municipalities.....				25	2,177	101,640 04
Balance of roads still under the control of the trust.....				33	2,156	133,719 96

MONTREAL, April 29th, 1909.



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## EXHIBIT Y (a).

## INTERCOLONIAL RAILWAY OF CANADA.

MONCTON, N.B., June 11, 1909.

V. CLOUTIER, Esq.,

Secretary of Sub-committee,

Public Accounts, House of Commons, Box 221,  
Ottawa, Ont.

DEAR SIR,—Referring to your letter of the 3rd June to Mr. Simpson in regard to the statement in connection with the claim against the Department of Marine, amounting to \$268.14, I send you herewith a copy of the statement referred to. This is for the SS. *Minto*. I may say that this amount was paid on the 28th May last.

Yours truly,

D. POTTINGER.

## EXHIBIT Y (b).

## SS. 'MINTO.'

A. Lord, Agent, Department of Marine and Fisheries, Charlottetown, P.E.I.  
To the Intercolonial Railway, Dr.

1902.		\$	cts.	\$	cts.
April 30.....	To claim paid per acct. rend ..		25 02		
" 30.....	" ..		7 53		
" 30.....	" ..		3 43		
" 30.....	" ..		17 50		
" 30.....	" ..		3 25		
" 30.....	" ..		7 40		
" 30.....	" ..		2 73		
" 30.....	" ..		10 88		
" 30.....	" ..		9 30		
" 30.....	" ..		9 00		
" 30.....	" ..		2 00		
" 30.....	" ..		7 48		
" 30.....	" ..		3 95		
" 30.....	" ..		27 01		
" 30.....	" ..		21 09		
" 30.....	" ..		2 85		
" 30.....	" ..		11 00		
" 30.....	" ..		44 38		
" 30.....	" ..		30 52		
" 30.....	" ..		18 08		
" 30.....	" ..		3 74		
				268 14	

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## EXHIBIT YY (a).

HOUSE OF COMMONS,

OTTAWA, 3rd May, 1909.

E. L. NEWCOMBE, Esq., M.A., LL.B., K.C.,  
Deputy Minister of Justice,  
Ottawa.,

DEAR SIR,—The Sub-committee on Balance Sheet of Public Accounts, 31st March, 1908, appointed for the purpose of revising Balance Sheet of same, at a meeting held the 22nd April instant, when in consideration of items respecting the Intercolonial and Prince Edward Island Railway managements against certain disputed accounts claimed against the Post Office Department, also the Militia and Defence, &c., it was resolved by committee that the opinion of the law officers of the Crown be sought so as to enable said committee on Balance Sheet to make a recommendation in their report to parliament, and in compliance with this resolution,—as I have received statements mentioned which you will find herewith,—will you please send a proper officer of your department to meet this Sub-committee to-morrow at 10.30 o'clock in Room 32, when a discussion of the merits of these accounts can take place with your officer in attendance, and a proper recommendation arrived at.

Kindly return the inclosed statements in time for to-morrow's meeting at 10.30, and oblige.

Yours truly,

(Signed) THOS. S. HOWE,

*Clerk of Public Accounts Committee.*

Per V. CLOUTHIER,

*Secretary to Sub-committee on Balance Sheet.*

P.S.—Statements inclosed:—

Department of Militia and Defence *re* item \$48.40,Department of Militia and Defence *re* item \$1,776.47.Department of Post Office *re* item \$5,457.51.

## EXHIBIT YY (b).

OTTAWA, 4th May, 1909.

DEAR SIR,—Referring to your letter of the 3rd inst., received last evening, in which you state that the Sub-committee on Balance Sheet of Public Accounts, at a meeting held on 22nd ultimo, had resolved to ask the opinion of the law officers of the Crown, with regard to certain disputed accounts of the Intercolonial and Prince Edward Island Railway, as against the Post Office Department and the Department

## APPENDIX No. 1

of Militia and Defence. I do not find either in your letter or the papers submitted any question stated upon which the law officers can advise.

I return the papers herewith and would suggest that you state the questions to which you refer, so that the minister may consider them.

Yours truly,

Papers returned.

E. L. NEWCOMBE, *D.M.J.*

THOMAS S. HOWE, Esq.,  
Clerk of Public Accounts Committee,  
House of Commons.

## EXHIBIT YY (c).

HOUSE OF COMMONS,  
OTTAWA, June 24th, 1909.

E. L. NEWCOMBE, Esq., M.A., LL.B., K.C.,  
Deputy Minister of Justice,  
Ottawa.

DEAR SIR,—On May 3rd, 1909, in obedience to an order issued by the Sub-committee on Balance Sheet of Public Accounts to the secretary of said committee, I submitted statements of claim respecting certain disputed accounts owing by the Post Office and Militia Departments to your department with a view of arriving at a ruling for the guidance of said Sub-committee. My letter, in connection with the statements sent you, also requested that a proper officer of your department be sent to meet the Sub-committee at its meeting to be held May 4th in order to discuss the merits of these accounts with your officer in attendance, and thus arrive at a proper recommendation which the Sub-committee then had in view. You will remember that our requests were not acted upon on your part, except your letter in reply thereto.

I am now instructed to submit to your department one of these disputed accounts, namely: Prince Edward Island Railway claim against the Post Office Department, amounting to \$5,457.51, a statement of which is inclosed, and signed by Mr. D. Pottinger. I also send you herewith a copy of the statement submitted by the Post Office Department, signed by Mr. Glover, accountant, as to reasons why they should not pay this claim; this latter statement was also requested by the Sub-committee to be conveyed to your department. My action in so submitting to you this statement of claim is to obtain your ruling as to whether this account, \$5,457.51 can be regarded as a collectable asset of the Prince Edward Island Railway. It is a portion of the item set out at page 6, Balance Sheet, Public Accounts, March 31, 1908, and described as Prince Edward Island Railway, Open Account, \$19,687.41; said balance is made up from statement which appears at page 70, Part III., under heading of 'Prince Edward Island Railway,' statement of Open Accounts on March 31, 1908.

I might add that the assets of the Canadian Government Railways, to which respective balances appear in Balance Sheet, Dominion of Canada, Public Accounts, at page 6, March 31, 1908, came up for examination by the Sub-committee on Balance Sheet on the 22nd of April last, when Mr. Pottinger, General Manager, and Mr. Huggin, Accountant, Prince Edward Island Railway, were in attendance to give evidence thereto.

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The order of the Sub-committee which obtained for the request of statements respecting the disputed accounts under examination is as follows:—

By Mr. AMES.—I would suggest that the secretary ask a written statement from the Railway Department regarding this disputed account with the Post Office Department, amounting to \$5,457.51, and that he ask a similar statement from the Post Office Department, and that he, as secretary of this committee, transmit the two statements to the Department of Justice asking for a ruling on the matter for the guidance of this committee.

The statements referred to, in above order, are those which I now forward to your department, and copies of those submitted to you on May 3rd last.

In examining the assets relative to the balances which appear in the Balance Sheet under heading of Railway Accounts, the evidence of the witnesses was directed towards ascertaining and determining those accounts that were collectable and those that were not, but this claim against the Post Office Department was characterized as a disputed account, hence the order of the Sub-committee to your department for a ruling as to whether it is a collectable account at its full value as set out in statement produced by Mr. Pottinger. Your ruling thereon would dispose of a contentious item of the Balance Sheet which might, if not adjudicated by your department, come up for discussion at next session of parliament.

I have the honour to be, sir,

Your obedient servant,

V. CLOUTHIER,

*Secretary to Sub-committee on Balance Sheet of Public Accounts.*

### EXHIBIT YY (d).

OTTAWA, 29th June, 1909.

1022-09.

DEAR SIR,—In Mr. Newcombe's absence, I have to acknowledge your letter of the 24th instant, with respect to certain unsettled accounts between the Department of Railways and Canals and the Post Office Department, and to inform you that the Deputy Minister of Railways and Canals has also written to this department about the matter under date 25th instant.

I have the honour to be, sir,

Your obedient servant,

FRANCIS H. GISBORNE,

*Secretary.*

V. CLOUTHIER, Esq.

Secretary to Sub-committee on  
Balance Sheet of Public Accounts,  
House of Commons.



## EXHIBIT Z.

DEPARTMENT OF RAILWAYS AND CANALS.

OFFICE OF THE DEPARTMENTAL AUDITOR,

OTTAWA, June 1st, 1909.

DEAR SIR,—Referring to amount of \$446.40 which appears in the Public Accounts as owing by the National Labour Council of Montreal to the Intercolonial Railway.

I beg to inform you that the papers in connection with this claim have been referred to the Government Railways Managing Board to take such action as they see fit.

G. A. BELL,

*Departmental Auditor.*

The Clerk of Public Accounts Committee,  
House of Commons, Ottawa, Ont.

## EXHIBIT ZZ.

DEPARTMENT OF RAILWAYS AND CANALS.

OFFICE OF THE DEPARTMENTAL AUDITOR,

OTTAWA, June 1st, 1909.

DEAR SIR,—Referring to amounts appearing in the Public Accounts as owing by the Quebec Southern Railway Company to the Intercolonial Railway.

I beg to inform you that the case is now before the Justice Department.

Yours faithfully,

G. A. BELL,

*Departmental Auditor*

The Clerk of Public Accounts Committee,  
House of Commons, Ottawa, Ont.



# REPORT

OF THE

SELECT STANDING COMMITTEE

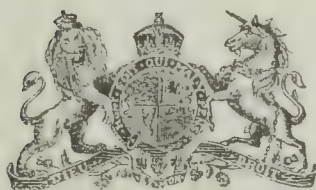
ON

# AGRICULTURE AND COLONIZATION

FIRST SESSION, ELEVENTH PARLIAMENT

1909

*PRINTED BY ORDER OF PARLIAMENT*



OTTAWA

PRINTED BY C. H. PARMELEE, PRINTER TO THE KING'S MOST  
EXCELLENT MAJESTY

1909





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## THE COMMITTEE.

(M. S. SCHELL, Esq., *Chairman.*)

## Messieurs :

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Barr,	Hughes,	Paquet,
Beuparlant,	Hunt,	Parent,
Béland,	Jameson,	Pickup,
Black,	King,	Proulx,
Blain,	Lake,	Rankin,
Blondin	Lalor,	Richards,
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Gordon ( <i>Nipissing</i> ),	Monk,	Wilson
Harris,	Nantel,	( <i>Lennox and Addington</i> ),
Henderson,	Neely,	Wright,



## REPORT

The Select Standing Committee on Agriculture and Colonization present their Fifth Report, as follows:—

Your Committee have had under consideration during the current Session of Parliament the subjects of Agriculture and Immigration, respectively, and appended hereto as an essential portion of this report, is the evidence presented to them upon each of these divisions of investigation.

M. S. SCHELL,

*Chairman.*

HOUSE OF COMMONS,  
April 30, 1909.





# THE EXPERIMENTAL FARM SYSTEM

HOUSE OF COMMONS,

COMMITTEE ROOM No. 62

WEDNESDAY, February 17, 1909.

The Select Standing Committee on Agriculture and Colonization met here this day at 11 o'clock, Mr. Malcolm S. Schell, Chairman, presiding.

The CHAIRMAN.—As you have noticed by the circular that was issued, we are to have an address to-day from Dr. Wm. Saunders, Director of Experimental Farms. He is one of the patriots of our country who has, by his investigations and practical work, caused two blades of grass to appear where formerly only one grew. Information similar to that which he is to give to the Committee will, I hope, be furnished in other practical and useful lines to our advantage and that of the country at large. I have very much pleasure in calling upon Dr. Saunders to address the committee.

Dr. WM. SAUNDERS, C.M.G.—Mr. Chairman and gentlemen. It gives me very great pleasure to be privileged again to appear before the Committee on Agriculture and Colonization to render some account of my stewardship with regard to the work of the experimental farms. In doing this I have taken the liberty, as the subject is such a wide one and a person is so apt to ramble from the text, to write out part of what I have to say, so that I might be sure that nothing I wanted to present to you this morning of very great importance would be omitted. For many reasons I prefer to speak extempore, but on an occasion like this I am sure I shall do more justice to you and the subject by adopting the other course.

## ESTABLISHMENT OF THE DOMINION EXPERIMENTAL FARM SYSTEM.

The Dominion Experimental Farm System was organized in 1886, and was the outcome of the report of a Select Committee of the House of Commons appointed in 1884, to inquire into the best methods of encouraging and developing the interests of agriculture in Canada. This committee made a careful inquiry into the subject and took evidence from many persons having experience or scientific knowledge bearing on this important industry. They found agriculture in a very low condition in Canada and a deplorable want of knowledge among farmers in almost every branch of their work, and they recommended that the government establish an experimental farm, or farms, where experiments might be carried on in all branches of agriculture and horticulture, and that the results of this work be published from time to time and distributed freely among the farmers of the Dominion for their information. During 1885 the Honourable (now Sir John) Carling, then Minister of Agriculture for the Dominion, instituted measures for the gathering of further information regarding experimental farms and stations then in operation in Europe and America; and the methods pursued by them to obtain information valuable and helpful to farmers were noted. The Experimental Farms Act was passed in February, 1886, and I had the honour of being appointed director of these farms in October of the same year. The Act provided for the establishment of a central farm and four branch farms. The central farm was subsequently located near the capital, here, and was intended to serve the purposes of the two larger provinces of Ontario and Quebec. Of the branch farms, one was located at Nappan, Nova Scotia, to serve the purposes of the Maritime

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Provinces; one in Manitoba at Brandon; a farm for the Northwest Territories was placed at Indian Head, Saskatchewan; and that for British Columbia at Agassiz, in the coast climate of that province. In choosing the sites for these farms it was desired that they should be fairly representative of the larger settled areas in the provinces in which they were placed, and in the arrangement of the work the experiments first undertaken were such as were most likely to benefit the larger number of settlers in each case. Twenty-three years have passed since this work was begun and during that time Canada has made wonderful progress in agricultural development and a vast improvement has taken place in the condition of farmers all over the country.

Before the experimental farms were established there was no place where farmers could apply for information to aid them in the solution of the many difficult problems which they met with from time to time in connection with their work. With the advent of the experimental farm system these institutions became bureaus of information to every farmer. The record of the correspondence conducted with farmers all over the Dominion since their establishment tells its own story. The first two years were occupied in the organizing of these institutions but in 1889, the first year after the farms had become fairly established, the number of letters received was about 8,000 in all. Within five years they had increased to 25,000 a year, and during the ten years from 1898 to 1907 inclusive, the average number of letters received annually has been 72,619, and the average number of bulletins sent out each year has been 301,425. Thus a steady flow of information has been constantly going to Canadian farmers from the experimental farms ever since their establishment.

The experimental work which has been done at all the experimental farms since their organization covers a large field. Much research work has been undertaken along almost every line bearing on agriculture, and a great mass of important facts have been given every year to the farming community in reports and bulletins. Thus the work has been educative and under its influence farmers have become wiser and have risen in the scale of intelligence to such a degree that there is probably no country in the world where the average working farmers are so generally well informed in regard to the practical points in connection with their work as they are in Canada.

The underlying principles which led to the crowning of the farmer's efforts with success have been constantly and consistently advocated. These may be expressed briefly as follows: maintaining the fertility of the soil, following the best methods of preparing the land, adopting a judicious system of rotation, using the best and most productive varieties, the selection of plump and well ripened seed, and sowing early. These are the cardinal points in the doctrines we have been teaching for more than twenty years.

#### BARN-YARD MANURE AS A FERTILIZER.

In the efforts to maintain the fertility of the soil on farms in the Eastern provinces, barn-yard manure plays an important part. Experiments carried on for 20 years in succession with all the more important farm crops, have demonstrated the value of barn-yard manure and have shown that a given weight of manure taken fresh from the barn-yard is equal in crop producing power to the same weight of rotted manure, while the fresh manure loses during the process of rotting from 50 to 60 per cent of its weight. Economy in the use of barn-yard manure is of the utmost importance in connection with successful farming in this country, and the fact that it is estimated that the solid and liquid excreta of animals in Canada amounts to about 100,000,000 tons per annum indicates what enormous losses must result from a wasteful handling of such a large quantity of valuable fertilizing material. The results obtained from experiments with artificial fertilizers have not been so satisfactory as from those with barnyard manure. They have been carried on for a long period of years so that the conclusions drawn from them may be said to be very safe. The best results obtained from artificial manures have been had when they have been associated with barnyard manure. One reason why artificial manures used alone do not produce

## APPENDIX No. 2

the effect on crops which might be expected from the large proportion of available plant food they convey to the soil is that they contain no humus and the proportion of vegetable matter in the soil having been reduced by frequent cropping, its capacity for holding moisture is lessened and thus its crop producing power is reduced.

The ploughing under of clover has also been most effective in increasing the store of plant food in the soil. The beneficial effect of this treatment has been manifest by increased crops. A clover sod supplies the soil with a large addition of humus whereby the land is made more retentive of moisture and the soil deepened and mellowed.

In the preparation of land for crop in the eastern provinces, fall ploughing is now generally followed, as the seed can thus be sown earlier in the spring. In the north-west it has been found an advantage to summer fallow a portion of the land under cultivation each year. This practice conserves the moisture, destroys weeds and brings the farmer larger crops. More attention is paid now than formerly to the systematic rotation of crops. This method economizes the use of the plant food in the soil; since different crops take the elements of fertility in different proportions, the rotation helps to maintain a balance. A four years' rotation is perhaps the most followed. This is begun with a hoed crop, which is well manured; clover and timothy are sown with the grain the second year, a crop of hay is taken off the third year, and the fourth year the field is used as pasture and during the following winter manure is spread on the sod and this is turned under in the spring in time to begin the course again with a hoed crop.

## ADVANTAGES OF EARLY SOWING.

Experiments with early, medium and late sowings were carried on for ten years on plots of one-tenth of an acre each. The soil was very uniform in character. Sowings were made each season, the first at the earliest time practicable, the second at the end of a week and others at the end of each subsequent week until six successive sowings had been made. The plots were all harvested and threshed separately. The best crops were had from the second sowings, made just one week after it was possible to get on the land: beyond this, delay resulted in loss, which increased in proportion to the delay. The average of the ten years' experiments showed that with spring wheat a delay of one week after the period named entailed a loss of 30 per cent, two weeks 40 per cent, three weeks 50 per cent, and four weeks 56 per cent of the crop. With oats a delay of one week caused an average loss of over 15 per cent, two weeks 27 per cent, three weeks 32 per cent, and four weeks 48 per cent.

In the case of barley a delay of one week resulted in a loss of 23 per cent, two weeks 27 per cent, three weeks 40 per cent, and four weeks 46 per cent.

With peas a delay of one week caused an average loss of 4 per cent, two weeks, 12 per cent, three weeks 22 per cent, and four weeks 30 per cent. Thus the early sowing of grain has been shown to be highly profitable to the farmer.

## SELECTING THE BEST AND MOST PRODUCTIVE VARIETIES OF GRAIN.

Experiments have shown that it is profitable for farmers to select those varieties of grain for sowing which are most productive, of highest quality and early in maturing. In our work we have endeavoured to introduce or to produce varieties which combine these good qualities in the highest degree, and we have been very successful in this undertaking. The importance of this work is manifest when we consider the very large areas under grain crops in Canada. An increase of a single bushel per acre in the oat crop alone would add to the annual profits of Canadian farmers nearly \$2,000,000. The question may be asked, 'How can farmers procure these prolific strains of seeds?' The following is the method pursued to supply this need at the experimental farm. After careful and continued experiments have shown that a certain variety of grain is specially productive and promising this is cultivated in large fields so as to admit of the free distribution of samples among the farmers of the Dominion. The grain



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for this purpose is grown chiefly at the branch experimental farms in the Canadian Northwest from whence it is sent to Ottawa for distribution. The samples are sent out by mail in strong cotton bags containing, in the case of wheat and barley, five pounds each, and of oats four pounds, sufficient in each case for one-twentieth of an acre. The samples of peas, Indian corn and potatoes weigh three pounds each. These samples are sent only on personal application and only one variety can be had by each applicant each year. This enables us to cover a very wide area of ground; as the distribution each year amounts generally to over 40,000 samples, one can readily see what an influence the distribution of that large quantity of superior seed amongst the farmers all over the Dominion must have. The interest manifested in this distribution is increasing and the general introduction of these high class farm products into all parts of the country has resulted in improved quality and increased quantity of the crops grown both for export and for home consumption. The grain sent out is not only of high quality, but is thoroughly clean. I have a sample of Red Fife here such as we have been distributing this year, which I will hand to the members of the committee for their personal inspection. If a farmer takes reasonable care of the sample he received he can soon have sufficient clean and high grade seed to sow a large area for himself and have a surplus to sell to his neighbours.

It is remarkable how rapidly a supply of grain can be built up from a single four or five pound sample. Take for example, a four pound sample of oats; this with reasonable care and attention will usually produce about four bushels. This sown the next season on two acres of land should produce at least 100 bushels. With fifty acres seeded the third year the crop available at the close of that season should be about 2,500. The critical point in these tests—and I want to make this emphatic—is the threshing of the grain at the end of the first season; when there would be only about four bushels to handle, as it is here that many farmers fail to get the full advantage open to them. The product which the four pound sample has given is frequently threshed with a large machine, which it is difficult to get thoroughly clean, and in this way the grain becomes mixed with other and inferior varieties and is practically ruined. This crop should always be threshed by hand, when a year later the farmer handles a much larger crop a little waste in threshing is not of so much importance and he can throw away the first portion that comes through the machine, and thus make sure of having a fairly clean crop of seed for sowing the next season.

#### DISTRIBUTION OF SEED FROM CENTRAL EXPERIMENTAL FARM.

Speaking of the distribution of samples of grain, we are just now in the midst of that work. We are obliged to set a time at which the receipt of applications for samples must close, and we have fixed the date at the 15th of February, in order that we may get out all the samples asked for by the time seeding begins. Up to this morning we had sent out through the mail to farmers in Ontario 2,028 samples; Quebec, 2,799; Nova Scotia, 1,049; New Brunswick, 1,026; Prince Edward Island, 414; Manitoba, 997; Saskatchewan, 2,467; Alberta, 1,331; British Columbia, 107; 12,218 samples up to date. We shall probably have about thirty thousand applications yet to be filled which will bring the distribution up to about 40,000 by the time it is finished.

*By Mr. Broder:*

Q. Is that for wheat alone, or does it cover different samples?

A. It includes all the samples we distribute—wheat, oats, barley, some pease, but very many, Indian corn and potatoes.

Q. The whole thing?

A. That includes the whole series.



## APPENDIX No. 2

*By Mr. Blain:*

Q. Where is the wheat grown??

A. As I have already mentioned, it is grown chiefly on the experimental farms in the Northwest, where we have a good deal of land. We received this year two good sized carloads from Indian Head and a carload from Brandon, and that with the amount we can supply from Ottawa makes up the quantity. Another reason why we prefer to get the grain from the Northwest provinces is because the individual yields of grain there are much larger. At Brandon last year our wheat averaged 39 bushels 45 lbs., oats 102 bushels, 27 lbs. per acre, and barley 52 bushels 4 lbs. That is the average of a number of different varieties.

*By Mr. Sproule:*

Q. That is from a large acreage, not from the small plots?

A. These figures are from the plots. The large acreage yields are not yet available; they will come a little later. But there is not usually very much difference. On these farms the plots are summer fallowed land and the fields where we grow the grain for distribution are also summer fallowed.

## VARIETIES OF WHEAT GIVING LOWEST YIELDS.

*By Mr. Staples:*

Q. What varieties give the best yields?

A. Of wheat?

Q. Yes?

A. We publish all these particulars in the Crop Bulletin. It is a little later this year coming out than usual. I have just obtained the page proofs from the printer and have them with me. The bulletin will be out in a few days.

Q. Well what varieties give the largest yields?

A. At Indian Head the White Fife gave the largest, 39 bushels 40 lbs. per acre and Huron, Stanley and Preston came next. Red Fife came seventh in that list. In Brandon the relative position of these varieties was a little changed, but there was not very much difference between them. Preston was at the top of the list in Brandon, with 42 bushels 18 lbs., and Red Fife came next with 41 bushels 30 lbs. The average there was 39 bushels 45 lbs. of the 14 different varieties grown. The average at Indian Head of the same 14 varieties was 39 bushels 21 lbs., so you see there was not very much difference. In both cases the crops were exceedingly good.

Q. Have you tried any of the Velvet Chaff?

A. Do you mean the winter wheat known under that name?

Q. No, it is a spring wheat—Velvet Chaff spring wheat. It is very successful in certain districts in Manitoba; the yield has been better and the quality good?

A. We tried that for several years under the name of Blue Stem, and gave it up chiefly on account of the grain ripening later than Red Fife.

Q. It is just a little slower in ripening, but the yield has been better. That was in one or two years on certain lands of a light character?

A. We have not for some years past encouraged the growth of any variety that is at all later than Red Fife. Late ripening sorts are so often caught by autumn frosts that it would be most unwise to recommend them.

*By Mr. Schaffner:*

Q. Do you find it wise to depart from the Red Fife in the west?

A. We have done more to keep up the purity and general growth of Red Fife, in connection with our experiments, than of any other grain we have advocated. We have sent out this spring nearly a thousand samples to farmers who want to renew their seed. But Red Fife is not perfect, it is a little late. In some districts you can be almost sure of your crop every year. In all such districts we advise the farmers to

sow Red Fife. But where they are pretty sure of having their grain more or less injured, perhaps one season out of two, we explain to the farmers what the differences are in the quality of the wheats we send out as compared with Red Fife, and leave it to them to follow their own judgment. We do not send out any poor wheats.

Q. The tendency, I think, in Northern Manitoba and Saskatchewan is to try and get a wheat that will ripen early. There is a member of the House, a very experienced miller, who told me it was a mistake, that the Red Fife is the wheat?

A. The experience of one man is often different from that of another. We often get letters saying 'I have been here three or four years and have had three crops out of four of Red Fife injured, can you not send us something that will ripen earlier?' We try and help such men by sending them some sort that is almost, if not quite, as good, and earlier in ripening.

Q. And when the frost comes as it did in 1906 early in August, we have not yet got any wheat that will be early enough?

A. Well, the returns we had from some of the earlier varieties were exceedingly interesting at that time. They showed that Red Fife in some instances would not grade at all. The earlier varieties were so much further advanced that although they graded low, still they brought considerably more money than could be got for Red Fife. This is a very complicated subject. We are just as keen and careful as any millers, or any other body of men, to preserve the character and quality of our grain uninjured in the eyes of foreign purchasers, and we are not distributing anything that will materially interfere with that. We have selection and cross-bred sorts where the quality is nearly or quite equal to Red Fife. Among these is an improved Red Fife quite equal to ordinary Red Fife and ripens several days earlier. I have here another wheat one of our cross-bred which was grown at Lesser Slave Lake, and weighs 65 lbs. to the bushel. In that respect it is superior to Red Fife, but is not quite so strong. This is a white skinned wheat and that is a great disadvantage under our present law regulating the grading of wheat; white skinned sorts do not usually bring the same price as red skinned sorts even though they be better wheat.

Q. Have you any Yukon wheat?

A. No, but there are samples of wheat from the Peace River here. I have here a sample of Riga wheat from Fort Vermilion weighing 64½ lbs. to the bushel. Now that Riga wheat is just about as good as Red Fife.

*By Mr. Staples:*

Q. How does the yield of the Riga wheat compare with that of the Red Fife?

A. When grown under condition favourable to Red Fife the crop of that variety is usually heavier than Riga. I could not get a sample of Red Fife from Fort Vermilion as the farmers there grow only earlier ripening sorts. The average yield of wheat for the Fort Vermilion district in 1908 is placed at 24 bushels to the acre. At Indian Head Riga wheat gave 28 bushels 53 lbs. per acre last year, between 5 and 6 bushels less per acre than Red Fife. Ladoga wheat does not hold its place in shipping to foreign countries; I do not think that any shipments have been made for many years, but it holds its place in communities where they grow it for their own use, for instance it is almost the only variety grown in the Peace River country, where the Hudson Bay Company buys all the wheat grown and grinds it into flour to supply the more northern posts. There is a slight difference in the shade of colour in the flour and in the strength of the wheat, but it does not cost so much and it saves them the expensive haul from Edmonton up to the Peace River, and it makes very good bread.

*By Mr. Herron:*

Q. How do you find the qualities of Alberta Red in comparison with Red Fife?

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A. We are investigating that at the present time. I think it is a mistake to call that 'Alberta Red'; according to the Act any red wheat grown in Alberta is entitled to be called 'Alberta Red,' we call that wheat 'Turkey Red.'

Q. What do you call it? 'Turkey Red'?

A. This wheat originally came from Europe and when it was brought out it was known as 'Turkey Red'; it was taken to Kansas and when it was grown there it was called 'Kansas Red' and when the Alberta people got it from Kansas they called it 'Alberta Red,' so that the name has been changed around according to the locality in which it was grown. I have a good sample of it here grown during the past season at Lacombe.

Q. That is the name given it by the people?

A. I know that Mr. Herron's statement is quite correct, but according to the regulations concerning the grading of wheat, any red wheat grown in Alberta is 'Alberta Red,' using this term for a class; therefore we do not want to apply this name to an individual variety of wheat, because it is confusing. It is better to let that name stand for red wheat grown in Alberta as a general term, there are other varieties besides 'Turkey Red'; we have grown ten varieties this year at Lethbridge and they have averaged over 40 bushels to the acre.

*By Mr. Staples:*

Q. Was this sample of wheat you have passed around for the inspection of the members grown in Lacombe this year?

A. Yes.

*By Mr. McCoig:*

Q. Are all these samples you have produced for inspection wheat grown in 1908?

A. Yes

Q. Is the 15th of February the last day upon which applications will be received for seed samples?

A. The 15th of February is the day fixed.

Q. And any applications received subsequent to that date would not be considered, is that what I understand?

A. I would not like to speak so decidedly as that, I would not like to say that we would not consider an application from a member because it was a day or two late. If a member sent in a list of a half dozen or a dozen names of farmers in his constituency who had written him for a sample of seed, even though the list actually came a day or two too late we do not usually enforce this rule so harshly as not to consider them when they come to us through members of the House of Commons.

*By Mr. Blain:*

Q. Is wheat grown at the Indian Head station suitable for distribution as seed for sowing in every other province in Canada?

A. Yes, I think so. We have never found any drawback in growing grain received from any of our experimental farms in this northwestern part of the country; our experience does not lead us to suppose that the fact that it has been grown there lessens its value in any way.

*By Senator Perley:*

Q. The Northwest wheat is all right to use for seed anywhere?

A. I think where a variety of grain produces a very high yield such as oats, which give from 80 to 100 bushels per acre, that it is better to take seed and distribute it among farmers than it would to buy seed from Ontario where the crop is



probably only from 40 to 50 bushels to the acre, I think the grain gets the impress from its surroundings when it is brought up to that high yield and that it carries that impress with it to a certain extent, and produces a better yield in those parts of the country to which it is distributed.

*By Mr. Blain:*

Q. We hear a great deal sometimes about the excellence of the quality of wheat grown in the Northwest, and it is sometimes said that we cannot produce in Ontario as good wheat, or wheat that will produce as good flour as that which is grown in the Northwest. What I would like to ask is whether the wheat grown at Indian Head that you distribute among the farmers of Ontario will do as well in Ontario on account of different climatic conditions?

A. There is a good deal of optimism and enthusiasm among the people of the Northwest, and it is well that it is so, because they have a good many obstacles to get over, but that statement that good wheat can only be grown up there is not entirely true. While as a rule it is better in quality when grown in the Northwest than when grown in the east, we find, however, in Ottawa that we can grow wheat fully as good in quality, and of as great strength, as can be grown anywhere, in fact, the very best wheat we have ever worked in our baking tests, so our Cerealist tells me, was grown in Ottawa.

Q. Is the average wheat crop per acre larger in Western Canada than in Ontario?

A. If you put spring wheat and winter wheat grown in Ontario together and average them, I think the yield per acre in Ontario would be slightly larger. In Ontario the winter wheat last year gave 23%<sub>10</sub> bushels per acre and the spring wheat 15%<sub>10</sub> bushels per acre, showing that winter wheat gave much the better crop. If the yields of winter and spring wheat are added together the average is over 19 bushels, but in quality it would not be equal to the flour made from the Northwestern hard wheat, because the varieties grown are different. There are also climatic and other conditions which are favourable for the production of strength in wheat grown in the Northwest.

*By Mr. Schaffner:*

Q. That is just as good an average as we get in the West?

Mr. STAPLES.—Well, it is a good average; however, we need not discuss that matter now. What was the average yield in 1908?

A. The average yield of wheat in Manitoba was 17 bushels and for Saskatchewan 14.50, that is unusually low, and for Alberta 29.17 for winter wheat and 22.60 for spring.

Q. And what is it for Ontario?

A. For Ontario it is 23%<sub>10</sub> for winter and 15%<sub>10</sub> for spring.

*By Mr. Schaffner:*

Q. That is better than the Northwest?

A. Taking ten years you will find the average better for the Northwest, it will run about 19 bushels.

*By Mr. Sexsmith:*

Q. How has the Red Fife wheat shown in Ontario in the last ten years?

A. I can give you the last five years at Ottawa at the Experimental Farm. There are difficulties in answering questions like this in a general way. Some farmers have no doubt grown other varieties than Red Fife under the name of Red Fife, they are not always particular enough about the seed they sow and sometimes it is mixed, and I do



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not like to base an opinion on the quality or yield of any variety on the statements made in the press in reference to the average yield; but where we grow it ourselves we know what we are growing, and knowing that we are enabled to say that our records in reference to the matter are reliable. At Ottawa the average of the Red Fife wheat for the past five years has been 25 bushels, 15 lbs. per acre, and that is above the average of other sorts. Red Fife is a good yielder if it is kept pure, but there are other poorer yielding varieties sometimes mixed with it, more or less bearded wheat, and in some places you will find the bearded heads in the field almost as plentiful as the beardless ones, and of course such wheat cannot be fairly considered as comparable with the pure Red Fife.

*By Mr. Owen:*

Q. Which of these wheats produces the best flour?

A. I am afraid I shall have to refer you to the cerealist who does all the testing of flour for an answer to that question. He is learning fresh facts every day from the baking tests he is making with the flour of a number of varieties of wheat. Of course Red Fife always turns out a good loaf, if it is a pure sample, and some of the other varieties turn out loaves which are very little inferior. Some again are decidedly poorer. Then the question of individual taste comes in. The popular taste as to the colour and character which the best wheat should have varies in different countries. The grading of wheat is so arranged in Canada that we do not encourage white-skinned varieties. In Australia the white-skinned sorts are preferred. In England a flour that will give a fairly moist loaf is preferred. In this country the preference is often given to a flour that gives us a drier loaf. The English millers want enough of our strong wheat to mix with the weaker English wheats to bring the flour up to the strength that suits their people. We seem to prefer that strength in our flour which produces bread somewhat dry and tough. That often arises from our making bread from flour from Red Fife wheat alone, which is tough in its nature and when the bread rises the divisions which form the little interstices in the loaf are sometimes designated as rubbery or tough.

Mr. SPROULE.—Spongy.

Dr. SAUNDERS.—Some bakers in this country do not use flour as strong as that. They mix some softer flour with it, such as winter wheat flour, in order to give the bread a more friable and pleasant character in the mouth.

*By Mr. Staples:*

Q. In your opinion there is too much consideration given to colour in our grading law?

A. There seems to be too strong a preference for red-skinned sorts. Take Red Fife wheat grown on scrub land and you will often find it piebald in colour.

Q. Yes.

A. That is through an increase in the quantity of starch in the kernel. That wheat is not as good as the translucent Red Fife, it is not as strong and will not grade as high; but often the buyer makes no distinction between the light-coloured piebald Red Fife and the white-skinned White Fife, classing them both as inferior. Now, White Fife is equally as good in our experience in every way as Red Fife, but unless it will grade No. 1 hard there is no provision made for giving it any grade at all. It is assigned a low grade because it is white-skinned. For this reason there is not much White Fife grown.

*By Mr. Schaffner:*

Q. White Fife does not ripen any earlier?

A. White Fife ripens at about the same time. In some localities it is said to produce larger crops; in other localities people say the reverse. Like all other

varieties of wheat it gives a varying crop, depending more upon the preparation the land has had, the condition it is in and the character of the season than anything else. Both the Red Fife and the White Fife are excellent varieties, heavy croppers and practically identical in quality. They are, however, both rather late in ripening.

*By Mr. Robb:*

Q. Do you consider the sample of wheat grown at Lesser Slave Lake thoroughly ripened?

A. Yes, I think it is. There is a Roman Catholic mission at the head of Lesser Slave Lake and this wheat was grown on that mission farm. A 3-lb sample was sent there from the Experimental Farm some years ago, and the father who has charge of the farm visited Ottawa early this winter and brought this sample with him. He said they had some 50 or 60 bags now and he regards it as a splendid wheat for their district. The fact of its weighing 65 lbs. to the bushel shows that it is a good solid wheat. It seems to be quite ripe. It has been kept in a glass bottle for several weeks and would, I think, be musty now if it had not been fully ripe.

*By Mr. Rankin:*

Q. In recent years spring wheat does not seem to have done as well in Ontario as it did years ago. How do you explain that?

A. I do not know and I doubt if the opinion is well founded, as such statements are not always the outcome of careful investigations. In the crop statistics published by the province of Ontario the average yield of spring wheat for the past 25 years is given as 15<sup>9</sup>/<sub>10</sub> bushels per acre, whereas the crop for the past five years has averaged 17.2 bushels per acre. No proof of any falling off in yield can be had from these statistics. There is no doubt that winter wheat on the average produces a much larger crop than spring wheat.

*By Mr. Chisholm (Huron):*

Q. Have you tried Turkey Red at Indian Head?

A. Yes, but we have not been able to grow winter wheats at Indian Head to any advantage. We grew Turkey Red last year, just sufficient to give us an experience contrary to what they have had in the Lethbridge district, where it is grown quite successfully.

Q. What time did you sow it?

A. I was coming to that. In Lethbridge they say it must be sown in August to get the best results. Mr. MacKay had three small fields, he sowed one on August 8, a second on September 7, and the third on September 18. The first two sown covered the ground fairly well, and that last sown was showing in the rows when winter set in. The early sown plots were both badly winter killed and the returns were small, but the third seeding was not injured to any extent, and the yield was at the rate of 29 bushels 10 lbs. per acre. Thus the experience at Indian Head was different from what was held at Lethbridge. In regard to our crops last year at Lethbridge, I will give you the results of the experience there with crops grown on irrigated land, and on land without irrigation. We have facilities for conducting both these methods of crop growing on the Experimental Farm there. With winter wheat, however, we have not used irrigation because enough moisture usually falls there to ripen crops of winter wheat. The 10 varieties that were tried this year have averaged 40 bushels 20 lbs per acre.

#### EXTENSION OF THE EXPERIMENTAL FARM SYSTEM.

In my remarks on the experimental farms of the Dominion I have only as yet referred to the establishment of the first five farms provided for in the Experimental Farms Act of 1887. Since the formation of the two great provinces of Saskatchewan

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and Alberta, two additional experimental farms have been located in Alberta. One of these is at Lethbridge, comprising 400 acres of land, 100 acres of which is under irrigation while the other 300 acres offers favourable conditions for experiments in dry farming. The other farm has been placed at Lacombe and comprises about 150 acres. A site has also been chosen for a new farm for Northern Saskatchewan at Rosthern. This latter is now being organized and it is expected that work will begin on that farm early in the coming season.

Arrangements have also been made for carrying on during 1909, a number of important agricultural experiments at Fort Vermilion on the Peace river, Alberta, also at Kamloops, B.C. I will now give you some particulars concerning the crops grown on irrigated land at Lethbridge.

## RESULTS OBTAINED FROM IRRIGATED AND NON-IRRIGATED LANDS.

The spring wheat on irrigated land gave an average of 37 bushels 20 lbs. per acre, not very far behind the winter wheats, but on non-irrigated land they did not do as well: here the yield was 29 bushels 32 lbs. per acre.

With oats on the land without irrigation the average crop was 65 bushels 23 lbs., the average under irrigation was 65 bushels 26 lbs., a difference of only 3 lbs. on the average for all the varieties tested. The results from the growing of barleys were much the same. On the non-irrigated plots the average from all the plots was 38 bushels 36 lbs. on irrigated land 38 bushels 44 lbs. A word of explanation regarding the irrigated plots is due here. Owing to a very bad storm the irrigation ditch was so injured in June that water could not be furnished to the crops as early as it was needed, and these crops were only irrigated once, that was in July, and with some of them the water probably came too late to give them the full benefit they would otherwise have had from irrigation. Hence we must not draw conclusions from this one series of tests, because the grain did not get quite a fair chance as far as the irrigated plots were concerned. A bulletin will shortly be issued containing particulars of these results, which are very interesting and they serve to show that while some crops on irrigated lands are much larger in that district, with judicious treatment the soil can be made to produce in most seasons very good crops of winter wheat and probably oats without irrigation.

## CAMPBELL SYSTEM OF DRY FARMING.

*By Mr. Herron:*

Q. Is there anything done in that district regarding the dry farming system, has it been introduced?

A. Yes, the system we are following is practically the dry farming system when you do not irrigate.

Q. But I mean is the dry farming system introduced by—what is the name of that man who introduced it in that district?

A. The Campbell system is being followed to some extent at Lethbridge. As carried out in the drier districts of the United States this system may be briefly described as follows:—Only one crop is raised in two years. The land is ploughed deep in the spring to let the spring rains sink into the soil, and after almost every important shower or storm it is run over with a cultivator which just scratches the surface. A wide strip of the surface is cultivated at a time, just deep enough to break up the capillary formation which the soil will make when it is allowed to rest for a good while and which if left undistributed will bring the moisture from below up to the surface where it is lost by evaporation. This cultivating puts 'a dust blanket,' as they call it, on the land and the moisture is retained. That course of preparation is continued throughout the season, using the cultivator several times or after every



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heavy rain, and as the season advances the land is found to be stored with a good portion of the moisture which has come down in the rainfall during the earlier summer months. Then in August the winter wheat is sown—and sometimes winter rye. The accumulated moisture is carried over in the soil to serve the plants in their next season's growth and with the rainfall they will then get the crop will be covered to maturity. The variety of winter wheat known as 'Turkey Red,' or 'Alberta Red' seems to have that adaptation to the conditions in Southern Alberta which makes it more successful than any other variety that has been sown, and although the quality varies somewhat, on the whole it may be put very close to Red Fife. Some samples seem to be fully equal to Red Fife, and some again fall below it. Whether that difference is brought about by climatic variations in the different sections, or whether it is due to differences in the soil has not yet been determined.

I did not finish the figures of yields at Indian Head and Brandon, which I was giving you, from whence the grade for distribution has mainly come this year. I gave you the yield of wheat at Brandon, which was 39 bushels, 45 lbs.; oats, 102 bushels 27 lbs. and barley 52 bushels and 4 lbs. The yield of wheat at Indian Head was 39 bushels 21 lbs.; oats 80 bushels 24 lbs.; and barley 44 bushels 23 lbs., showing that the crops from which these seed samples of grain have been supplied were high in their character and yield, the grain being also pure and of very good quality.

*By Mr. Schaffner:*

Q. It seems to me that in order to render this information complete, you should tell us how that land was prepared.

A. On the western farms we invariably use summer-fallowed land for such crops as are intended for the seed distribution.

Q. Ploughed how many times in the season?

A. Summer-fallowed in the usual way, that is fallowed every third year.

Q. I mean before the crop is put in, is it just ploughed once?

#### METHOD OF SUMMER-FALLOWING AT INDIAN HEAD.

A. No, the plan adopted at Indian Head for summer-fallow is as follows:—The land is ploughed deep (7 to 8 inches) before the last of June, and the surface cultivated during the growing season to destroy weeds and retain moisture. The last cultivation usually leaves the land in good condition for sowing in the following spring without any further preparation. This practice has given the best results.

There are several different methods followed in preparing fallow land, some prefer to plough deep, while others prefer to plough shallow.

Q. Is barnyard manure applied to the crops?

A. We have never used barnyard manure on the grain, we have used it on roots; generally we use what barnyard manure we have on them.

Q. What is the difference between the two systems, summer-fallowing and dry farming?

A. Summer-fallowing is a system which gives the farmer two crops in three years, the third year the land lies fallow, while under the 'dry farming' system, you only get one crop in two years. Land prepared in the manner described is ready for seeding immediately the frost is out of the ground, and as I explained to you in the earlier part of my remarks sowing early always makes a great difference in the crops. The summer-fallow is a very thorough preparation of the land.

*By Mr. Schaffner:*

Q. I would like to ask one important question, do you 'pack' the land?

A. We have not used a packer at Indian Head; we are, however, getting one to experiment with next season.

Q. You cannot give us the result of any experiments with the packer?

A. Not at Indian Head; we did use a packer at Lacombe on some plots of oats. On three of these a packer was used and the other three were left unpacked. The



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plots on which the packer was used produced a stronger growth in each case and gave a heavier crop, the increase in yield varying from six to eighteen bushels per acre. It is proposed to try the packer more extensively next season.

Q. Would not the same results be obtained by just one ploughing and cultivating afterwards?

A. It would be unwise to offer any opinion on 'packing' from the results of this single experiment. I hope, however, if I am spared to come before you another year, to be able to give the results of further experiments with the packer at several of the Northwestern farms.

*By Mr. Smith (North Middlesex):*

Q. In your experiments with summer fallowing do you not find—if you have tried it, as I presume you have—that ploughing only once and then cultivating the surface, to have the soil clean, produces better results than ploughing as you say five or six inches deep, late in the season?

A. You must have misunderstood me. I did not refer to any late ploughing, because our superintendent at Indian Head, Mr. MacKay—whom I may say was the father of summer fallowing and the first man who ever summer fallowed in the Northwest—does not approve of late ploughing, which leaves the soil too loose and in such condition that it does not retain moisture well. He believes in ploughing once early in the season before the end of June from 7 to 8 inches deep and then cultivating twice, or if necessary three times later on, but twice is the usual practice. In some parts of Alberta and where the conditions of soil are somewhat different, the methods of summer fallowing are sometimes modified. Farmers can seldom have information given to them sufficiently accurate to do away with the necessity of using their own brains. They must supplement what they can learn from others with their own good common sense and be guided largely by the results of their own experience, because a difference in soil or a difference in climate may necessitate a difference in treatment. Such alterations in circumstances may often be set right by the use of one's own judgment. No one can lay down a hard and fast rule for the treatment of land throughout the Northwest which will work well in all cases.

*By Mr. Broder:*

Q. When we roll our soil here that increases the evaporation and the soil dries out all the more quickly. How is it that it acts differently in the Northwest? How is it they have to pack the soil in the Northwest to keep the moisture?

A. Packing and rolling are two different things. The rolling of the soil is done to bring the moisture to the surface so that it will have its effect on the seed and cause it to germinate more promptly.

Q. Yes, but the soil dries out more quickly?

A. Certainly it dries out more quickly and ought to be lightly cultivated after the seed has got the benefit of that moisture. A rolled surface ought not in a dry season to be left for any time smooth or unbroken. It should be scratched with a cultivator of some sort to break up the crust. In working with a packer the soil is pressed down firmly about the seed without leaving a smooth surface. The earth is packed down so as to get the advantage from the packing of the soil without the disadvantage from the smooth surface work of the roller. It leaves a thinly pulverized top layer called in the west a 'dust blanket.' That dries, but the soil just below is kept moist because there is no chance of the moisture finding its way out through this upper layer of loose soil.

*By Mr. Sexsmith:*

Q. There is a feeling in certain portions of Canada that the soil of the west will not continue to grow as good quality of milling wheat year after year, but that the

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milling quality of that wheat will deteriorate. My reason for drawing your attention to this is that in conversation with a gentleman representing one of the largest milling concerns in the Northwest, he informed me that they had to go into the new sections of country and get wheat from the virgin soil to mix with the wheat in the older portions of Manitoba in order to keep up the standard quality of their flour. I think it is well that the people should have some information with regard to that. Of course in the older sections of Canada we have to manure to keep up the quality of the soil, but in the Northwest I think there is no manuring done?

A. There is nothing known to the scientific world in support of that idea. If the soil becomes impoverished the quantity of wheat produced will be decreased but the quality, as far as we are able to judge from past experience, remains the same. There may be other reasons to account for the difference or depreciation of which you speak. In some sections of the country there is a good deal of mixed wheat grown, the Red Fife representing only a small proportion of the mixture. In such cases the quality of the product will be lowered in character, in proportion to the increase of the inferior sort. I feel convinced that no satisfactory evidence has been brought forward sufficient to establish the correctness of this statement.

Q. Then you contend that the hard wheat producing power of the west is just the same now as it was 50 years ago? There has been an impression abroad that the hard wheat producing country or belt is moving to the north. I saw an article which appeared in an agricultural journal a short time ago to the effect that it would ultimately reach Alaska.

Q. Now the northern states do not appear to produce the quality of wheat they did some years ago. They fear they are going to lose the hard producing quality altogether?

A. I have not had the opportunity of inspecting recently any wheats grown in the northwestern states, but where pure seed has been used I have never heard of any such deterioration. I was through parts of the Dakotas last year and I thought their methods of farming were very inferior. It would not have been a matter of surprise to have found deterioration there, due probably to the mixing of the seed and the poor farming.

*By Mr. Chisholm (Huron):*

Q. Do you not think that the fact of there being more sunlight in the northern districts is responsible for the better quality?

A. The increase in the number of hours of sunlight in the more northern districts has its effect in lessening the time required for the ripening of the grain, but this would not necessarily improve its quality.

Q. Does it not improve the quality of the grain?

A. That has not been shown. I know there is a popular opinion prevalent that the farther north you are able to grow wheat the better that wheat will be. I am bound to say, however, that I do not know of any scientific evidence in favour of this view.

*By Mr. Sexmith:*

Q. According to the impressions created at the Ontario Agricultural College, Guelph, it does not appear that we are producing in Western Ontario now the quality of wheat which we might produce. According to the tests there, the wheat is softer than formerly and has not the same texture?

A. It is only within the last three or four years that practical tests have been applied to wheat to determine its quality by grinding and baking and this is too short a time to permit of reliable opinions being formed on such a complex subject. We have found that in Ottawa—in what I suppose you would call worn-out soils as com-

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pared with those of Manitoba or Saskatchewan—we can grow wheats just as good as we ever grew.

Q. How do you account for this that in the province of Ontario we can produce just as good a sample of wheat and of equal quality to that which was produced 25 years ago, and yet the millers cannot make the same quality of flour?

A. It is not the same varieties; the varieties apart from Red Fife have been completely changed during the last 25 years.

Q. This Red Fife variety was originated in the county which I happen to represent, by a man named Fife, and forty years ago some of them produced 50 bushels to the acre of that wheat and yet to-day they cannot produce nearly as much—in fact right in that township where that wheat was first produced the best farmers, whose farms are in good condition, would not expect more than 15 bushels to the acre of the same variety; in fact they have dispensed with growing it altogether.

A. That may arise from exhaustion in the soil of the material that the wheat plant more particularly needs in order to arrive at perfection.

Q. Well, they can produce 50 bushels to the acre of other wheat right in the same neighbourhood, on the same land, and the same farm that produced the first head of Red Fife in Canada?

A. It is certainly very difficult to reconcile these statements, but there are so many agricultural conundrums which nobody can answer satisfactorily that it is not always wise to express an opinion upon a difficult question unless one has all the facts before him.

*By Mr. Smith (North Middlesex):*

Q. It is really a fact that in some localities where formerly 30 or 40 bushels of Red Fife wheat have been produced the land would not now produce more than 15 bushels of that variety, and yet they will produce 30 bushels of other wheat?

A. This is said to be so, and one cannot dispute facts.

Q. It is, however, a fact that the first farm that produced Red Fife wheat in Canada cannot now produce Red Fife wheat anything like it did 35 years ago?

A. Has there been any recent proof of that fact?

Q. Yes, and some farmers up there have even sent to Manitoba and got seed of Red Fife variety and have tried to grow it and in their effort to re-acclimatize it have grown it for three years in succession, but they did not have any success.

A. I cannot see why any farmer who can grow 40 or 50 bushels of fall wheat should ever want to try to grow the smaller crops which spring wheat will give him.

Q. That is not the point. The point is, have conditions changed with respect to the growing of Red Fife, No. 1 hard wheat?

A. In respect to that all I can say is that our own experience at Ottawa has been, as I have told you, that we have grown Red Fife for the last ten or twelve years very successfully, and of excellent quality, and I do not see any reason why farmers elsewhere should not be able to do the same.

Q. About how much per acre do you grow of this Red Fife wheat at Ottawa?

A. I will give you the experience of the last five years. For the past five years Red Fife has given 25 bushels and 18 lbs. to the acre on the average on the trial plots on the Experimental Farm at Ottawa.

## VALUE OF GRASSES GROWN IN THE NORTHWEST.

I desire to call attention to the fact that the grasses now under cultivation have become a very important item in agriculture in the Northwest.

## BROME GRASS.

There is one of them in particular that has been more or less spoken against and written against for some time past, that is the Brome grass. The history of the in-



roduction of Brome grass dates from 1887, when through the agency of experimental farms seed of that grass was brought from Russia. The first year it was introduced, samples were sent to the experimental farms in Manitoba and the Northwest Territories for trial and from the outset it succeeded remarkably well. That grass proved a wonderfully useful grass, it is a strong grower, is tenacious of life, and will do well in dry seasons or wet seasons. It is highly nutritive and produces a quality of hay which is palatable to all classes of stock. Having all this strength and vigour in its constitution it is not so easily disposed of when the farmer wants to plough it under. The seed also blows about more or less in that windy country and gets in among hedges of trees and plantations where it shoots up and makes a vigorous growth. Now in some localities there is a feeling that Brome grass is too troublesome a thing to grow, that it sprouts up everywhere and that it is difficult to get rid of when once it is well established. This is true to a certain extent, but by carefully ploughing under it can be disposed of. This grass is appreciated by many people for its good qualities, and I desire to call attention to the statistics of the crops for 1908 in the province of Manitoba to show the important position it occupies to-day. During the past year there have been 57,729 tons of Brome grass grown in Manitoba; 44,946 tons of western rye grass, another variety introduced by the experimental farms, and 91,000 tons of timothy. During one of my early visits to Manitoba about twenty years ago, I met a number of the leading farmers of the Brandon district at Brandon and the discussion ran on the subject of grasses. They said: 'If you can find for us any grass in any part of the world that will stand this climate so that we can have hay fields and pastures, you will do us the greatest imaginable good and we can then hope for an enlargement of the dairy industry; whereas as it is now we have to drive twenty to thirty miles for wild hay. We have not succeeded in growing timothy and to drive so far for native hay is too laborious and too expensive a thing to permit us to do much in the way of feeding stock or extending the dairy industry.' Since that time these grasses have been introduced, the Brome grass particularly to meet the difficulties referred to, and they have proved remarkably useful. The western rye grass was found growing well in the northwest and collected and cultivated and subsequently distributed by the experimental farms over the whole country. These grasses are now well established and are doing a good service, and large crops of hay are grown every year. It would be a pity to have any statements go unchallenged which would prejudice the minds of newcomers against so useful a product as Brome grass is. I would advise every farmer to give it a fair trial, for I believe that Brome grass is the most generally useful grass for Manitoba and the Northwest which we possess, and that it has laid the foundation for a very large dairy industry in connection with the western rye grass and timothy, and that its growth should be encouraged. I hope that farmers generally throughout the Northwest will give this valuable grass a fair showing, and if they do I feel persuaded they will find it to be a most useful fodder plant, one that will furnish an abundance of nutritious hay of the highest quality, which will carry their horses and cattle through the winter months in good condition.

*By Mr. Herron:*

Q. I agree with what Dr. Saunders states with respect to Brome grass. I have been growing it for the last seven or eight years and from my experience I can corroborate his statements.

A. I am glad to hear this testimony from one who has had such long experience. I suppose you find it to spring up to some extent here and there over the farm.

Q. It does to some extent?

A. If it did not possess such vigorous characteristics it would not be the useful thing it is.



## APPENDIX No. 2

## ALFALFA.

*By Mr. Currie (North Simcoe):*

Q. Is it not a fact that the United States Government have secured a species of alfalfa that will stand the climate of Manitoba and the Northwest, the Yellow Flowered alfalfa?

A. Yes, the United States Government have been doing a good work in sending men out to search for new and useful agricultural products in foreign lands. A variety of alfalfa was found in Turkestan which seems to be hardier than the common form. I have read of the yellow flowered variety referred to but have not seen it yet and have forgotten just where it was found.

Q. Siberia?

A. I had a visit a short time ago from one of these travelling agents of the United States who had recently come home from a two years' expedition to Northern China and who has since started for a two years' journey through Manchuria. The United States Department of Agriculture has been very generous in giving us samples of such products as their agents have found and in this way we first got the Turkestan alfalfa which in our experience is hardier than the ordinary alfalfa. At the Indian Head farm we have the Turkestan alfalfa and we have another variety that has proven hardy from Minnesota called the Grimm alfalfa. We have also tried alfalfa seed from Montana, from Utah and from other parts of the United States. We have had these different sorts growing side by side at Indian Head. I looked over them last year very carefully and found that the ordinary alfalfa seemed almost as good as any of them; there did not appear to be any very great differences, judging from the results of last year. Mr. MacKay has succeeded in raising some alfalfa seed at Indian Head, and I am hoping for good results in the way of hardiness from this source. Recently I have had a promise from Washington of some more samples of alfalfa to test in our more northern districts, and hope I may succeed in getting some of the yellow flowered variety referred to.

*By Mr. Smith (North Middlesex):*

Q. There are no varieties of alfalfa that you have succeeded in getting to withstand the winter in the west as yet?

A. Yes, not only these varieties of Grimm and Turkestan, but the common alfalfa, during the last three years, has stood very well at Indian Head. Before that the common alfalfa was often killed out. I don't know whether we have got into any better methods of handling it, or whether the seasons have been less severe.

*By Mr. Currie (North Simcoe):*

Q. Perhaps it has become acclimatised?

A. This is quite possible. Mr. MacKay wrote me the other day and said 'The alfalfa seems to have come to stay with us and we want to have enough seed this year for five acres.' This want will be supplied, as we desire to test the alfalfa on a larger scale than we have hitherto been doing. Our early plots were half acres and less, but five acres will make a more impressive experiment. The crops of alfalfa sown in 1905, gave, in 1907 with one cutting only, from 1 ton 650 lbs. to 3 tons 143 lbs. of cured hay per acre.

*By Mr. Currie (North Simcoe):*

Q. Can you not secure any seed at the Farm?

A. At Indian Head we ripened some seed last year and there is a little of that available for planting this year. Some of this Indian Head seed has also been sent to Brandon, so that we will have Indian Head alfalfa grown at both the farms in question this year for the first time.

*By Mr. Sealey:*

Q. What was the result of your observations of the killing? Was it on knolls or hills or in hollows?

A. At Indian Head the plots were grown in a level field. They seemed to be all subject to the same conditions, both the supposed hardy varieties and the ordinary alfalfa and none of them were badly winter killed.

*By Mr. Herron:*

Q. Has alfalfa been grown to any extent in any other province, say in Ontario?

A. Yes, we grow it here at the farm and it generally does very well, but it does not take that prominent place in agriculture that it does in the drier parts of the United States, where it is a crop ranking considerably above wheat in value. At Lethbridge we have succeeded very well with alfalfa. We have grown very heavy crops cutting two and three crops in a year. We also have some growing at Lacombe, Alberta. I hope we shall know more about the value of this crop in different parts of Canada in the course of two or three years.

*By Mr. Currie (North Simcoe):*

Q. Just one question about alfalfa. There is an impression prevalent amongst the farmers of the province of Ontario that it is a dangerous grass to plant, that it is impossible to get rid of it once it is sown. Now alfalfa is such a valuable fodder plant and it is used to such a large extent in the United States that it will be well to have your views on this subject so that the farming community in Ontario, where this plant will grow well, may understand its value as a food product?

A. It is one of the most valuable crops for improving the soil that can be grown and there is no difficulty whatever in getting rid of it. It forms a large body of root in the soil and the root is of a very nitrogenous, humus forming character so that it acts as a fertilizer to the land.

Q. Nourishes the soil?

A. Yes. It nourishes the soil, and after a few crops of alfalfa have been taken you can plough it under and get much better crops of grain than you could before.

*By Mr. Herron:*

Q. We have had difficulty in getting it to stay.

A. It pays, where it has taken well, to let it stay for several years, because the roots grow deeper and deeper and it helps to open the soil and to fertilize the land deep down where many other plants do not reach. In alfalfa districts in the United States where farmers can get a good catch of alfalfa, they think their soil is made for the time being and they are quite sure of good crops for some years after.

*By Mr. Currie (North Simcoe):*

Q. I have heard it suggested that the way to get a good catch of alfalfa was to take some soil from the field where there was a good catch, powder it dry, and mix it with the seed the same as lime or fertilizer, that is sometimes mixed with the seed?

A. Yes.

Q. Have you taken any action in that matter?

A. Yes, we have taken action in that connection to some extent. We have found this practice very beneficial in some cases. We offer to supply soil from our alfalfa fields at Lethbridge, Alberta, to any farmer who wants to try it for that purpose. We

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give to applicants from 100 to 200 pounds of soil, without charge, provided they are willing to pay the freight on it. We sent some from Lethbridge to Lacombe, Alberta, last year and I saw the plots in the autumn; there was a very marked difference in favour of the alfalfa planted with the soil sent from Lethbridge. The soil may be mixed with the seed and spread with it when sowing or scattered lightly over the ground after sowing.

*By Mr. Smith (North Middlesex):*

Q. That difference would not be so apparent in the case of a field in which clover of any other kind had been grown before?

A. I cannot say as to that, but the idea is that there are minute bacteria already present in most soils which are essential to the healthy growth of alfalfa. If these are not present they may be introduced in the manner stated, when they multiply rapidly. The bacteria which produces that strong growth in alfalfa is claimed to be different from the variety which promotes the growth of the red clover, but whether there is any marked difference or not in these bacteria I am not prepared to say. To carry out the experiment that has been suggested, the soil should be taken from a field where alfalfa has been successfully grown, as it is not likely the experiment would be successful if the earth were taken from a field where any other variety of clover had been grown.

*By Mr. Currie (North Simcoe):*

Q. But it will work when taken from a field in which alfalfa has been grown, and it will give a good crop?

A. Yes, and it generally improves the crop very much. The bacteria referred to may however exist in sufficient quantity already in the soil. In such case the addition of the earth from the alfalfa field would not be likely to produce any marked improvement in the crop.

## METHOD OF DISTRIBUTING CENTRAL EXPERIMENTAL FARM PUBLICATIONS.

Dr. SAUNDERS.—I might mention for the information of some of the new members that our plan of distributing the publications of the experimental farms is a permanent one; that is the names of the applicants are placed on what is called the 'Permanent Mailing List, and all the general publications of the farm are sent to persons on that list. When a new issue comes out it is quite common to receive from members requests for from 100 to 300 copies or more of that bulletin; but are unable to meet such demands as we do not publish more than enough to supply those on the mailing list, and to meet the requests of new applicants. If a member wants to have more copies of the farm publications go to the farmers in his constituency, he should apply to the farm for a list of the names of those who are receiving the farm publications. Then if they want to add to that list 50 or 100 new names it is open for them to do so. These are put on the permanent list and the number of copies printed is always sufficient to supply those whose names are entered there.

*By Mr. Sealey:*

Q. I am glad to know about this general mailing list because it will prevent us repeating what you are perhaps already doing?

Dr. SAUNDERS.—Yes, we want to always avoid the duplicating of copies of our publications to one individual.

Mr. HODGINS.—To whom do we address our communications?

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Dr. SAUNDERS.—Address them to the Director and I will see that they are attended to. It takes a little time to make the list out, but in the course of a few days you could obtain the copy you desire, and you would be guided by that list as to any additional names you would send in.

Committee adjourned.

Having read over the foregoing transcript of my evidence I certify the same to be correct.

WM. SAUNDERS,  
*Director, Dominion Experimental Farms.*



## COMPOSITION OF FEEDING STUFFS ON THE CANADIAN MARKET.

HOUSE OF COMMONS,

COMMITTEE ROOM No. 62,

WEDNESDAY, March 3, 1909.

The Select Standing Committee on Agriculture and Colonization met this day at 11 o'clock, Mr. Schell, chairman, presiding.

The CHAIRMAN.—I have much pleasure in welcoming Professor Shutt, Chemist of the Dominion Experimental Farms, who will address the Committee on the topics set forth in the addenda paper which has been distributed to members.

Mr. SHUTT.—Mr. Chairman and gentlemen,—It is always a matter of some difficulty to select, from the work of the year, subjects for discussion at this Committee, for there is so much of importance and interest in that work that might be brought before you. As years go by our field of labour widens, our work increases, the investigations become more numerous and consequently this difficulty increases rather than diminishes. It seems to me, on thinking over the matter, that it would be well on this occasion, after indicating in a general way the character and scope of our chemical work, to devote this session more particularly, to the discussion of the feeding stuffs on the Canadian market—a subject which at the present time is one of considerable interest to the agricultural community.

Although your Chairman has been good enough to say I am to deliver an address, the fact is that I am rather to give evidence and testimony and, therefore, I shall not regard it as any interruption if you ask questions relative to the subject we are discussing. My purpose here is to answer questions and to give information and I shall be very pleased to do so to the best of my ability. Naturally, I am anxious that you should be aware of what we are doing and how our chemical investigations are influencing and benefiting Canadian agriculture.

Our general policy as regards the work of the chemical division remains unchanged. As from the institution of the experimental farms, we endeavour in the first place to be as useful as possible to the practical farmer in his everyday work, to get into close touch with those who are tilling the soil, to be as helpful as ever we can to the individual, and secondly, to carry out such investigations and researches by the aid of chemistry as may tend to solve the problems which are confronting the grain grower, the fruit grower, the dairyman, &c., in one or other parts of the Dominion. The results of such investigations are as a rule of more or less general interest. You will notice, therefore, that our work falls into two broad classes; that which has to do more or less directly with the interests of the individual farmer, and secondly that which undertakes the investigation of problems in connection with Canadian agriculture generally. But there is no hard and fast line of demarkation between these two classes of work; in fact, frequently the inquiries or samples sent by farmers have prompted and suggested lines of investigations. With regard to the work which we do for the farmers directly and as individuals, very few of the results appear in our annual reports and bulletins. Nevertheless, I feel that it is an extremely important branch of our work because it is directly useful, directly educational. It is carried out largely by correspondence. We act as a 'Correspondence School,' to whom all may apply free. We are a national 'bureau of information' in matters agricultural. As you are aware there is no postage required on

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letters addressed to the officers of the Experimental Farm at Ottawa. That no doubt is one of the reasons why the correspondence in all branches of the farm work is so large. This answering of questions, is I believe, a feature that is very popular throughout the country. Possibly you may think that the ordinary farmer knows very little with regard to the relationship, the bearing, of chemistry to agriculture, yet we have now a correspondence in the chemical division of something like 3,000 letters a year. There are inquiries from farmers all over the Dominion and relate to soils and their treatment, manures and fertilizers and their application, the relative value of cattle foods and the compounding of rations, to the quality of the drinking supply on the farm, to the nature and preparation of insecticides and fungicides and a whole host of other matters in which chemistry can be of assistance to the farmer or agricultural specialist in his daily work. Then, in addition to this correspondence (which necessarily consumes a very large part of my own time to attend to) we do what we can in the examination of samples forwarded by farmers. We do not undertake—it would not be possible nor desirable—to make a complete analysis of every sample of an agricultural nature that is sent in to us. It is a matter in which we must use judgment and discretion. Last year in the neighbourhood of some 600 samples were sent to the farm laboratory, consisting of soils, mucks, peats, marls and other materials which we may consider as naturally occurring fertilizers, cattle foods, insecticides and samples from farm water supplies. This may serve as a rough classification of the various materials which are being forwarded by farmers for analysis or examination. We thus endeavour to carry on, side by side, educational work with that of research—a plan which I believe is well suited to the needs of a comparatively new country. It has, we think, been fruitful of good results.

#### THE RELATIVE VALUE OF FEEDING STUFFS.

And now, having outlined our work, I propose with your permission, to discuss a subject that is attracting a good deal of attention to-day and upon which we have spent much time, namely, the feeding stuffs as found upon the markets of Canada.

*By Mr. Broder:*

Q. Do you publish the results of these analyses after they are made?

A. The greater number of them but not necessarily all of them. Those which we deem of sufficient interest to the community as a whole we publish in our annual report. For instance, in connection with the feeding stuffs we publish practically all our data but we do not burden our pages with material which would not be of general interest.

This is not the first time, gentlemen, that I have brought before the Committee the subject of the concentrated cattle feeds as found on our markets. For a number of years we have every season examined those samples which have been forwarded to us in order to furnish the sender with information as to the relative feeding values of these feeds, but during the past winter, more particularly, the interest in this matter has become more keen and there has been an increased demand for information bearing on these materials. There are perhaps two reasons for this interest. In the first place we have in many districts in Eastern Canada, experienced during the past three years, seasons of greater or less drought and that has necessarily meant a shortage in fodder and forage crops. As a consequence the farmers, stock feeders and dairymen have had to purchase larger quantities than usual of these concentrated feeds in order to supplement the home grown fodders and secondly, there is a greater number of these materials now upon the market by reason of the fact that certain classes of manufacture that give rise to by-products of feeding value, have multiplied.

Now, in the first place it is well to understand clearly what a farmer or dairyman purchases his feed for, that is, the particular nutrient or nutrients he wishes to purchase. You will say he naturally wants to get the best, that is, the most nu-

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trititious feed that he can for his money. Certainly. He looks about him, gets the market prices and considers as well as he can the nutritive value of such materials as are available to him. His experience as a farmer helps him greatly in making a choice. He has necessarily familiarized himself with a large number of these materials, such as bran and shorts. These he feels himself fairly competent to decide upon as to their approximate feeding value. But when he comes to a number of these milling and by-products that are offered him then he is more or less in doubt as to their value; he cannot tell from the mere appearance of many of them, and more particularly as the greater number of these materials are ground very finely, what their nutritive qualities may be. He must then resort to the chemist in order to learn the composition and properties of these feeds. We have, for instance, upon the market a number of by-products from the starch and glucose factories. There are four such factories in Ontario and their products include gluten meal, gluten feed, corn oil cake and corn bran. Several of these products are extremely rich and valuable but others are comparatively poor. We find that the feeds on the market show great variation in quality. Then there are the products of the oat meal mills and the 'breakfast food' factories, and in this connection I may point out that although oatmeal is a material in itself of high nutritive value, we have upon the market various products from such mills, some of which are comparatively worthless. I refer to feeds consisting largely of oat hulls. Then we have mixed feeds prepared from these milling products which are judiciously compounded, containing a certain proportion of crushed oats and crushed corn. In this way an attractive appearance is given to these materials, and they are put upon the market. I am afraid many of them are such as to deceive, at any rate they have an appearance which belies their true nutritive value. Many of them contain sweepings, weed seeds, &c. Then we have the by-products from the sugar beet factories. We have the dried exhausted pulp and that is put upon the market as such or in conjunction with molasses. Molasses also is fed in some districts and this may be mixed with peat, the peat being used as an absorbent to hold the molasses. The molasses is a by-product in the manufacture of beet sugar and also in the refining of cane sugar. We have also by-products from the manufacture of pearl barley and split pease and other articles intended for human consumption. The number of these by-products and milling products is constantly on the increase.

You will have inferred from what I have said that while many of these products are extremely valuable, as feeds, there are others comparatively poor, and still others practically worthless, and we wish to be able to inform the farmer where these various feeds stand relatively one to another. The farmer buys these concentrated feeds chiefly for the amount of protein or albuminoids they contain, as protein is the most valuable nutrient in a feeding stuff. Secondly, he wishes to know the percentage of fat they contain.

We may spend a few minutes in considering the constituents of a fodder or feeding stuff. There is first of all water. In ordinary dry meals, the concentrates as they are sometimes called, the moisture or water, may not exceed 10 per cent, it may be even lower than 10 per cent. In feeding stuffs such as we are considering the limit will be 8 per cent and 12 per cent, the lower the moisture content, other things being equal, the more valuable the feed. In the coarse fodders grown upon the farm, such as roots and ensilage, the percentage of water will be from 70 to 80 or even higher.

Protein or albuminoids. These terms include the nitrogenous compounds of a fodder. Protein, as I have said, constitutes the most valuable part of a feed. In the animal economy it is that which goes to repair the waste of the tissues, which furnishes the material to form the muscle (meat), the blood, the curd of the milk, &c. There is no other constituent in a fodder that can take its place for these purposes. The animal must have a certain proportion of protein daily in order to grow, to thrive, to give milk, &c. Now the home grown fodders—such as ensilage, roots,



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timothy hay, &c.—are all materials which are comparatively low in protein. Consequently when a farmer purchases a meal he should look first of all for protein. He seeks to balance up the ration (as it is termed), to purchase a material with a high protein content in order to furnish the muscle and blood forming material in which his own fodders are more or less deficient. There is no substitute for protein, and therefore the intelligent feeder who is purchasing feeds inquires, first, what is the percentage of protein in the fodder offered to him.

Thirdly, the percentage of fat. Fat is a fattening agent of high value, that is to say, it may be converted more or less directly into the adipose tissue of the animal or made use of for the production of fat in the milk, as the case may be. It also is valuable for the production of heat and energy within the animal; it enables the animal to keep up its body temperature and to do hard work—it reduces the amount of protein otherwise necessary. Fat, therefore, stands next to protein—in fact in certain instances—according to the function of the animal, it may be fully equal in value to the protein.

Next we have the carbohydrates. It is a chemical term to include starch and materials closely allied to starch chemically. Starch does not form muscle, or blood, or the curd of milk, or wool, but it furnishes by its combustion within the body the heat which is necessary for the existence of the animal. It is also a producer of energy or the capacity of work within the animal. But it is well to remember starch has not the same value as fat, weight for weight, as a heat and energy producer. Approximately one pound of fat is equal to two and one half pounds of starch for these purposes.

Fifth, we find fibre. Of all the organic nutrients in a fodder, fibre has the lowest feeding value. As a rule, fodder which has a high percentage of fibre has a low feeding value. Fibre in so far as it is digestible, is used by the animal in the same way as starch but, in the majority of feeds the fibre is largely indigestible and is consequently valueless for the nutrition of the animal, though it may be of some service in giving bulk to the feed—a point of some importance. But the farmers' coarse fodders always supply a sufficiency of this constituent and there is no reason for purchasing it.

Lastly, there is mineral matter, or as we term it ash, which goes to build up the frame work, the bone of the animal and to furnish the small amount of mineral matter (lime, phosphoric acid, &c.) which is found in the various tissues of the body. There is always a sufficiency of ash in the home grown fodders to supply the needs of the animals.







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Feed No. 1, from corn, rye and barley malt mash .....	H. Walker & Sons, Walkerville, Ont. (manufacturer) .....	6.27	19.69	5.78	52.33	14.62	1.31
Feed No. 2, from pure barley malt mash .....	" " " " .....	3.83	17.56	5.05	49.30	20.46	3.80
Feed No. 3, from rye and rye malt mash .....	" " " " .....	5.01	14.31	7.12	60.48	11.85	1.23
Apple pomace from cannery .....	Spratt & Schou, (manufacturer) .....	1.46	9.31	4.71	50.87	31.22	2.43
" " " elder mill .....	Col. D. W. Stevenson (sender) .....	8.51	3.63	1.81	69.38	14.61	2.06
" " " " .....	S. Allen, (manufacturer) .....	5.53	5.19	2.46	66.20	18.38	2.24
Feed No. 2, H. Walker & Sons Distillery .....	T. W. Raphael & Co., Montreal, Que. (sender) .....	5.73	12.87	4.05	61.63	10.50	5.22

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In this very brief review of the constituents of a fodder, I have intended chiefly to emphasize that the percentages of protein and fat in a feed must determine the feed's value to the farmer, as he will use the feed to supplement deficiencies in these constituents in his own home-grown coarse fodders. If he has a knowledge respecting the percentage of protein and fat in the feeds offered him he will be enabled to buy his feeds to the best advantage. With these few words of explanation, which I shall be pleased to amplify if any member desires, I wish to speak about these several classes of feeds, to which I have referred and examples of many of which I have brought with me to show you.

## CORN PRODUCTS.

First we may consider the by-products from the starch and glucose factories. All manufacturers do not adopt precisely the same terms for these products, but the following are generally recognized in the trade. Gluten meal, especially rich in protein: Gluten feed, consisting chiefly of the gluten and corn bran mixed and containing much less protein than gluten meal. Corn oil cake, rich in gluten and oil, consisting of the corn germ from which the greater part of the oil has been expressed, and corn bran or the hull of the corn, with a very low feeding value. Their composition is set forth in the following table. The results are average, from the analysis of good samples.

CORN AND CORN PRODUCTS.

	Moisture.	Protein.	Fat.	Carbo- hydrates.	Fibre.	Ash.
	p. c.	p. c.	p. c.	p. c.	p. c.	p. c.
Corn. . . . .	10.6	10.3	5.0	70.4	2.2	1.5
Corn meal . . . . .	15.0	9.2	3.8	68.7	1.9	1.4
Gluten meal . . . . .	10.5	34.75	5.58	46.92	1.77	0.48
Corn germ . . . . .	10.7	9.8	7.4	64.0	4.1	4.0
Corn bran . . . . .	5.54	11.47	4.53	59.49	17.95	1.02
Corn oil cake . . . . .	6.95	26.56	14.40	40.00	10.46	1.63
Gluten feed . . . . .	7.8	24.0	10.06	51.2	5.3	1.1

*By Mr. Owen:*

Q. Are these feeds for producing beef or milk?

A. They may be used for both classes of stock. The materials which go to form the casein of milk will also be useful in the formation of the muscle or flesh in the animal which is being fed for beef. It is the very same class of nutrient (protein) which is required for both purposes.

I may add a few words of explanation regarding these products. In the separation of the starch from the corn kernel, which, of course, is the primary object of the manufacturer, he finds that the residue may be divided into certain classes. These he may sell separately or he may mix them. In the latter case you have 'Gluten feed' which is not so rich in protein as 'Gluten meal,' because it contains the bran of the corn which is of poor feeding quality. Gluten meal, properly so called, consists very largely of the protein



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of the corn and is consequently the most valuable of all the by-products. The bran, or husk, or hull of corn is, as I have said, not of high feeding value. The embryo, or germ, separated in the process of manufacture, is very rich in oil. This oil is expressed by means of high temperatures and hydraulic pressure and the residue is known as corn oil cake, a sample of which I hold in my hand. This may be ground and sold as corn oil cake meal. It is a high class product. We have therefore, gluten meal representing the gluten or protein; corn oil cake as representing the embryo minus the larger proportion of the fat; and corn bran, a material of comparatively low feeding value. Gluten feed is a mixture, with a more or less variable amount of protein because it contains more or less corn bran. We must be careful therefore, to distinguish between that which should be rightly called gluten meal and gluten feed. Gluten meal is the gluten only, a material of high feeding value and should contain no corn bran. Gluten feed, on the other hand, is a term which designates a material made by mixing these by-products together.

Now, upon this chart (pointing to a chart on the wall) I give one or two analyses representing the products of several of our starch factories, and you will notice, not only considerable difference in protein content but that what is really gluten feed is in one case being sold under the name of gluten meal. Gluten meal, should, as I have said, contain in the neighbourhood of 30 per cent protein, but the 'Jersey brand gluten meal' contains not more than 18 per cent, and frequently much less. Occasionally I have found a gluten feed run as low as 12 per cent of protein. Now the point is this: if a gluten feed is sold as gluten meal and the farmer has no means of knowing that it is gluten feed, a species of fraud is being perpetrated. Perhaps I should not say fraud, for of course a manufacturer may sell his feed under what name he pleases, so long as he does not infringe the copyright law. There is no provision by law that a gluten meal should contain a certain percentage of protein; nevertheless the fact remains that there are genuine gluten meals on the market and that there is a material being sold as gluten meal—I hold it in my hand now, which is made by one of the factories—and which is not a gluten meal at all, but simply a gluten feed. It does not contain much more than half the amount of protein which a true gluten feed should contain.

*By Mr. Smith (North Middlesex):*

Q. Was that a gluten feed which you had in your hand last?

A. It is sold as a gluten meal, but is in reality a gluten feed. I show you now a true gluten meal.

Q. There is quite a difference in the colour?

A. Yes, there is. On inspection a gluten feed can be distinguished from a gluten meal, though the percentages of protein could not be ascertained.

*By Mr. Sexmith:*

Q. Are those two feeds on the market now?

A. Yes, sir, those are on the market now, with several others.

Q. Do they sell this gluten feed at the same price as gluten meal? It seems to me there ought to be some way of preventing a fraud like that?

A. That is just what I am coming to.

Q. That is a ridiculous thing?

A. Yes, sir. It is just for that very reason that I am bringing this matter before the committee.

*By Mr. Wright:*

Q. Supposing a farmer wishes to find out the actual feeding value of a product that he is buying. If he sends it down to you do you give him an analysis of it?

A. Yes, but, of course, we ask that he shall furnish us with all information as to the manufacturer and vendor so that we can use that information for the agricultural public if we wish to do so.

Now you must not suppose that I am making a statement against the manufacturers generally. There are many honest and reputable manufacturers and they naturally wish to sell their material at the highest possible price. There is no law in this country, however, to prevent the sale of inferior feeds under names usually attached to feeds of high feeding value. Nor do I think we could enact such a law; but what I do wish to see is some enactment that will compel the manufacturers to state the percentages of protein and fat the feed contains. I have brought this subject before the committee on several occasions and I think the time is now ripe to consider it with a view to some legislation that would protect the farmers' interests and I see no plan that would do so effectively as making the manufacturers 'tag' his products, giving the protein and fat content. I might say that this matter has not only been brought to our attention by the purchasers of feeds but also by the manufacturers of reputation. Certain of the manufacturers have pointed out to me that they are putting a good material on the market whereas materials under the same name are offered to the public the actual value of which the public have very little means of judging but which are of decidedly inferior quality.

*By Mr. Broder:*

Q. Are these products obtained by taking more out of the grain or mixing something with it?

A. They are obtained by extracting the starch from the corn. In the gluten meal we have chiefly the protein of the corn, but in the gluten feed we have not only that but the bran.

Q. It brings the average down?

A. Exactly, it brings the percentage of protein down.

The practical conclusion from this is, that the sale of concentrated feed stuffs should be under the control and inspection of some branch of the government service, that these materials should be sold and be subject to inspection in the same way as our fertilizers are. May I repeat. The ground that I take is this: fertilizers are plant food, these materials are cattle feeds, and if it is desirable and necessary to protect the interests of the farmer with respect to the composition of commercial fertilizers it is equally important to protect his interests in connection with the composition of cattle feeds, and possibly more so, because where there is one farmer who buys commercial fertilizers there certainly must be ten farmers who buy cattle feeds.

*By Mr. Broder:*

Q. In the county I represent a great deal of feed is bought.

A. Undoubtedly a large quantity of these feeds is used by the farmers, and as I have said, many of the purchasers have not much experience in judging the feeding stuffs at their true value. Further, an analysis is absolutely necessary in many instances—You can tell but little by merely inspecting the feeds, especially if finely ground.

*By Mr. Smith (Middlesex):*

Q. Could not a farmer by mixing corn with other feeds of higher feeding value arrive at the same result?

A. Possibly so, but that would depend—to do it profitably—very largely upon the part of Canada in which he lived; I do not think it would pay him to grow corn in this (Ottawa) district, that is, for grain. In this district we grow corn for ensilage purposes but not for grain. There is a very much higher percentage of protein (which

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is the material the farmer is looking for) in gluten meal than there is in corn as a whole, simply because the manufacturer has taken out the non-nitrogenous parts, the starch; the part which is of comparatively little value to the farmer has been extracted and sold as starch to be used for other purposes, and that which is left behind is far more valuable for feeding purposes than the whole grain.

*By Mr. Broder:*

Q. The farmer cannot understand that very well and wonders how it is that the more you take away the more you have left.

A. It ought not to be a very difficult matter to explain to him that what he needs to buy is chiefly protein and that taking the starch from the corn leaves its protein as a by-product.

*By Mr. Sexsmith:*

Q. I understand that they grind up oat hulls and mill sweepings and mix them with the shorts?

A. So they do at times and we have had some feeds of that character sent to us.

Q. And the farmers buy it and pay the price of shorts for it?

A. Presumably so.

*By Mr. Blain:*

Q. Is there much increase in the sale of this class of feed?

A. There is I think; the factories can dispose of all they have quite easily and readily at good prices. As I have told you there is a scarcity of fodder owing to the drought last year and men have to buy larger quantities than usual to supplement their supply of home-grown fodders.

Q. There is a scarcity of fodder you think?

A. Yes, for the reason I have stated and further, I think the increase in the dairy-ing and feeding industries generally has also affected the demand. It is an advantage to use feeds with high protein content, if used judiciously, for undoubtedly the land is thereby improved. The manure produced from these high class feeds is very valuable and serves to maintain the fertility of the soil.

*By Mr. Owen:*

Q. Do you issue pamphlets giving your valuable knowledge on these foods to the public?

A. Do you refer to special bulletins on feeding stuffs?

Q. Yes.

A. We have only published the analyses of these foods in our annual reports.

Q. Would it not be better to put it in the form of a pamphlet and distribute it among the farmers for their benefit?

A. It might be, but I must point out to you that we haven't the machinery in the Department of Agriculture to make an official collection of such foods as may be found in every part of Canada. The Experimental Farm has no machinery for making such a collection.

*By Mr. Broder:*

Q. The Inland Revenue Department has? What do you propose?

A. Yes, the Inland Revenue Department has. My position is, that all the materials offered as feeds, that is sold at over \$10 per ton, should bear a tag upon which should be printed plainly the percentages of protein and fat which that food



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contains. Our analyses are merely of such samples as may have been forwarded to us by individuals seeking information, but we have not any machinery for the collection of samples generally. Much would be effected if manufacturers would state the composition of the feeds they offer for sale.

*By Mr. Owen:*

Q. You have no machinery for obtaining samples of feeds?

A. No, not for the general collection of samples of these foods which are offered for sale and having them analysed. You are doubtless aware, that in connection with commercial fertilizers, the work of collection and analysis is done by the Inland Revenue division. The officers of that department collect the samples, duly label them and forward them to the laboratory of the Inland Revenue Department. If this work is undertaken in a systematic way it will have to be done in some manner, either by the Inland Revenue Department or by some other department of the government service that has the necessary machinery; that is a matter to be decided upon later but the first thing to do is to determine if it is desirable to control, in some such way as I have pointed out, the sale of feeding stuffs. Nearly every state in the Union, within the last five years, has adopted some law in connection with the sale of these concentrated feeds; while the law is not the same in every state, almost every state in the Union insists that the vendor or manufacturer must place upon each and every package of the feed, a tag stating the percentage of protein and fat the feed contains. I think we should do the same in Canada. You will find that the farmers are very warmly in favour of some such action on the part of the government, and you will also find, I think, if you make inquiries among the better class of manufacturers, the men who are turning out a high quality of gluten meal and linseed meal and so forth, that they are also favourable towards such an enactment. It is desirable that the farmer should be able to buy according to the actual feeding value of the feed.

*By Mr. Owen:*

Q. Do you, during your spare time, make it a practice of lecturing to the farmers throughout the country?

A. No, we cannot be said to have any spare time.

Q. You have no means of reaching the farmer?

A. Oh, yes, we have, it would not be right to allow that impression to go abroad.

Q. Well, will you please explain that?

Q. When an invitation comes from an agricultural association or a convention for some member of the staff to attend, that request is forwarded to the Minister of Agriculture, if it has not already been sent to him direct, and it is for him to say whether one or two, as the case may be, of the officers of the experimental farm shall attend to give the information required or to address the convention or association. As a matter of fact we have two or three of our staff now engaged in such work. My first assistant Mr. Charron, is in the province of Quebec and has been there for the past month lecturing at meetings of farmers. Personally, of course, I cannot attend to the Farmer's Institute work, but I do go to a number of the larger agricultural conventions, either dairying or fruit growing conventions, as the case may be, sometimes in one of the Maritime Provinces, sometimes in Ontario, but we do not make it a practice, you understand, of making an itinerary ourselves amongst the Farmers Institute; it is only upon request that we attend.

Q. And you would have to depend a great deal upon these farmers who attend the conventions carrying the knowledge that you convey to them or the members attending this Committee, to the farmers generally?



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A. Yes. As I have said our annual reports contains these analyses and they have a very extensive circulation. Again, there is the wide circulation of the 'evidence' given before this Committee; that is a valuable means of disseminating information. I have referred already to the correspondence, which is very heavy, I am every day answering questions sent by farmers with respect to feeds, fertilizers, etc., so that our farmers have the means, if they will only avail themselves of them, of obtaining that information. No doubt there are some people who either do not know or do not avail themselves of the opportunity of acquiring information in this matter. All this, in my opinion, does not do away with the advisability for parliament to enact some law which will compel the manufacturers to label their materials in the manner I have suggested.

*By Mr. Wright:*

Q. With respect to the distribution of your evidence, I believe it is the custom to give each member of the House of Commons some 65 or 70 copies of the evidence of each witness appearing before the Committee, I presume some of the members send out those copies to the farmers in their constituencies? In addition to that you have a mailing list?

A. Yes.

Q. But only the farmers who send in a request for the reports get them?

A. Yes, but nevertheless our mailing list contains many thousands of farmers' names.

Q. But that number will only comprise a very small portion of the farmers of this country; only a very small percentage of those engaged in agriculture will be reached in that way. I think that possibly you might make use of the agricultural newspapers as a channel by which you might reach the farmers of this country. You might induce some of the papers to publish your reports. I think in that way you would reach a far larger number of the farmers in this country?

A. I suppose it would have to be spontaneous on the part of the press. We could scarcely do more than ask them, we could not compel them to publish our reports. Some of the papers use them as it is, but certainly they might do so to a greater extent than at present, to the benefit of their readers.

*By Mr. Owen:*

Q. Why not put them on the patronage list?

A. I understand there is not any, so far as we are concerned.

*By Mr. Sexsmith:*

Q. Have you received many samples of feed sent in from the country?

A. The samples I have brought with me are some of those which have been sent in during the past winter. We have analysed between 70 and 80 since the publication of the last report.

*By Mr. Barr:*

Q. Then you did not get these feeds from the factories?

A. A few of them were sent from the factories.

Q. I thought you got samples from the factories?

A. Not as a rule, they are sent in by farmers.

*By Mr. Sexsmith:*

Q. These samples came from the people who are using them?

A. Yes, for the most part. If for the purposes of making a comparison we need a sample from some factory, then we send for it. Our general method of procedure, however, is to furnish the information on the samples which are forwarded by purchasers.

## BRAN AND SHORTS.

*By Mr. Sexsmith:*

Q. Have you had any samples of shorts sent in?

A. Yes, and samples of bran also.

Q. How do you find these?

A. The shorts as a rule have been fairly good, that is to say, the variations in composition have been small. I have not noticed anything which I would call adulteration. I have brought with me this morning two samples of bran for your inspection and while they may not be considered extremely poor, they contain a considerable proportion of oat hulls and other foreign matter which reduces their nutritive value. These samples of bran contain from two to four per cent less protein than the genuine bran does. Now that may be accidental, but the fact remains that they contain a considerable proportion of oat hull that reduces the feeding value of the bran.

*By Mr. Robb:*

Q. Do you mean oat hulls?

A. Yes, largely oat hulls, with broken straw and other foreign matter.

*By Mr. Broder:*

Q. Have you ever noticed any oat seeds?

A. Occasionally in bran but not frequently. In the finely ground milling by-products it is impossible to say from inspection what the feed may contain. The ground feeds from the elevators are mixtures of uncertain feeding value. They must be analyzed to ascertain what they are worth.

*By Mr. Robb:*

Q. There is a very large amount of Northwest or Manitoba bran now sent down into this country. How does that compare with the Ontario bran as ordinarily put up?

A. It is very close, extremely close. We made analyses two years ago, of a number of samples of bran and shorts from the western mills as well as the Ontario mills and as a rule the bran of the Northwest wheat runs a little higher in protein but the difference is not a large one. The following tables present our results from the analyses of genuine brans and shorts.

## ANALYSIS OF BRANS.

Name of Milling Firm.	Address.	Moisture.	Protein.	Fat.	Carbo-hydrates.	Fibre.	Ash.
		p. c.	p. c.	p. c.	p. c.	p. c.	p. c.
Ogilvie Flour Mills.....	Winnipeg, Man.....	9.73	14.00	4.55	55.18	10.74	5.80
Alexander & Law Co.....	Brandon, Man.....	10.57	15.19	5.19	53.83	9.80	5.42
Lake of the Woods.....	Portage la Prairie, Man....	9.89	14.81	4.68	53.75	10.63	6.24
" " .....	Keewatin, Ont.....	10.83	14.56	3.60	54.56	10.93	5.52
Goldie Milling Co.....	Galt, Ont.....	12.70	13.25	3.78	54.61	9.66	6.00
Tilsonburg Milling Co....	Tilsonburg, Ont.. . . . .	11.81	14.19	4.17	54.45	9.70	5.68
Kingston Milling Co .....	Kingston, Ont.....	10.65	15.31	4.87	52.96	10.35	5.86
Winchester Roller Mills...	Winchester, Ont.....	12.37	14.84	4.12	54.20	9.28	5.19
	Average.. . . . .	11.07	14.52	4.37	54.19	10.14	5.71

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## ANALYSIS OF SHORTS.

Name of Milling Firm.	Address.	Moisture.	Protein.	Fat.	Carbohy- drates.	Fibre.	Ash.
		p. c.	p. c.	p. c.	p. c.	p. c.	p. c.
Ogilvie Flour Mills.....	Winnipeg, Man.....	8.88	15.62	4.83	59.07	7.51	4.09
Alexander & Law Co.....	Brandon, Man.....	9.83	17.00	6.23	59.12	4.43	3.39
Lake of the Woods.....	Portage la Prairie, Man...	9.54	16.03	5.97	59.15	5.41	3.90
" ".....	Keewatin, Ont.....	10.38	16.25	5.50	57.40	6.51	3.96
Goldie Milling Co.....	Galt, Ont.....	12.34	14.62	4.54	58.76	5.74	4.00
Tilsonburg Milling Co.....	Tilsonburg, Ont.....	11.60	16.75	5.61	57.55	4.77	3.72
Kingston Milling Co.....	Kingston, Ont.....	10.81	16.41	5.38	60.07	3.82	3.51
Winchester Roller Mills...	Winchester, Ont.....	12.13	15.15	3.98	60.50	4.80	3.44
Woodstock Roller Mills..	Woodstock, N.B.....	7.58	15.56	5.09	64.56	4.11	3.10
	Average.....	10.34	15.93	5.24	59.58	5.23	3.68

*By Mr. Blain:*

Q. Before you leave the subject of feeds, may I ask is there any quantity of feed imported into Canada?

A. Of the gluten feeds?

Q. Yes?

A. No, I do not think there is any brought into Canada.

Q. There is none imported?

A. I do not think so. There is a good deal manufactured in the States, of course, but I believe it is all consumed there. I have not heard of any American brand upon our Canadian market. Probably the prices are higher in the States than here, and if so there would be no object in sending the feeds into Canada.

Q. I was not speaking of prepared feeds?

A. I cannot speak with certainty, but all that I have said this morning refers to Canadian products. No American feed has come under my notice.

*By Mr. Barr:*

Q. You think the feeds from the west have more seeds in them?

A. The milling and manufacturing products I have been speaking of do not come from northwestern Canada. They are chiefly Ontario products. We have bran and shorts from the west and certain feeds from the elevators.

Q. Well, I will ask you now if that is the case in regard to the feeds coming from the west?

A. In the bran?

Q. In the bran, do you find more noxious seeds?

A. No, on the whole the bran is of a good quality. We have not examined many samples of bran and shorts recently. The two brans I brought here do not contain noxious weed seeds. There is a certain admixture of hull and broken straw, and I cannot believe that that is accidental, but there are no weed seeds. The feeds from the elevators are largely composed of ground weed seeds. Some of them contain a proportion of ground barley, flax, &c.

## OAT PRODUCTS.

For the most part these are low-grade feeds, with a small percentage of protein and a high fibre content. A number of these have been analysed and their composition is given on the chart before you. 'Victor' feed contains about 7½ per cent of protein only and 22 per cent of fibre. 'Quaker oat feed' contains between 8 and 9 per cent protein and 12 per cent fibre. 'Eureka' feed contains 10 per cent protein and 8 per cent fibre. In most of the feeds of this class there is a large proportion of hull and other offal from the mills, which may not be discernable if the feed is finely ground. Some of these contain a sprinkling of cracked corn to help their sale.

*By Mr. Sexsmith:*

**Q.** Is the Eureka feed manufactured by a Toronto firm?

**A.** No, the Eureka feed is manufactured by the Ogilvy Milling Company, whose head office is in Montreal.

From the composition of these three feeds, which I bring before you as examples, it may be gathered that these products from the oatmeal mills and breakfast food factories are generally of very poor quality. We analysed one sent us from Prince Edward Island but which had been imported from Ontario, that contained 2.62 per cent of protein and 32.16 per cent of fibre; it was a worthless feed. Such a material is not worth buying at any price. I have yet to find a feed of this class that was worth the price asked, but yet they appear to compete successfully with bran, gluten meal, gluten feed, etc., products of high feeding value.

**Q.** Have you a sample of the Quaker Oat Feed?

**A.** Yes. (Producing sample).

*By Mr. Robb:*

**Q.** Oat hull is selling at \$7.00 a ton?

**A.** I would not like to give \$7.00 a ton for oat hull. There is far better value on the market.

*By Mr. Broder:*

**Q.** It would not be as good as hay?

**A.** No, not nearly so valuable.

These three meals we have just discussed will emphatically impress you with the desirability of giving our farmers information, official information, as to the percentages of protein and fat in the feeds they purchase. You will recognize that we have materials on the market containing 35 per cent of protein—and protein is one of the two constituents that should fix the price of the material—and again others containing not more than one-fourth this amount—and yet the difference in price may be but slight.

*By Mr. Sexsmith:*

**Q.** Upon what principle is this Quaker Oat Feed, which has only 8.6 protein, made up?

**A.** I cannot say exactly, but presumably it is the by-product from the manufacture of oatmeal or certain breakfast foods. It may contain some ground grain—I suppose there is, or the percentage of fibre would be higher.

*By Mr. Robb:*

**Q.** Has it not the inner hull of the oat ground very fine?

**A.** It may.



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Q. Is there any corn in that?

A. There is a certain amount of corn, ground corn, in it. They have a habit of putting in a certain amount of corn, to aid in the selling of the material I imagine. You will see these are all types of low class feeds and the point is, they are fetching prices on the market far above their real value.

## PEA PRODUCTS.

I should like to say a word or two with regard to pea meal. The genuine article is a material of high feeding value. It will contain in the neighbourhood of 35 per cent of protein, which is highly digestible, and it will not contain more than 4.5 per cent of fibre. Pea meal, however, is a material which is not rich in fat. Its essential constituent is protein and it is very valuable for supplying that nutrient. We find that many of the pea meals upon the market are far below the genuine article. I have brought with me two samples of pea meals which were forwarded to me during the past winter and they are both of inferior quality.

Q. What is the difference between these and the genuine pea meals?

A. They are adulterated by an admixture of pea hull, making a poor quality of pea meal. They contain an extraordinary proportion of pea hull. You will understand that in the manufacture of split pea for soup purposes, the hulls are separated and consequently a considerable number of hulls accumulate. Now the hull of the pea is an extremely poor food. The hull or bran of the pea contains only 5 per cent of protein and over 50 per cent of fibre, consequently if the pea hulls are put in with the ground peas it must reduce the proportion of protein and increase the percentage of fibre in the resulting meal very largely. That sample which I have shown you contains a large admixture of pea hulls. Almost every sample that we have received this winter—we have not received very many certainly—has been found to be largely admixed with pea hulls.

*By Mr. Broder:*

Q. You could not get peas without hulls?

A. No, we cannot get peas without hulls. You will see from the chart that in genuine pea meal there is 22.5 per cent protein but in those samples which I have handed to you for inspection, we have in one case 14 per cent and in the other 17 per cent of protein. It is evident, therefore, that one of these meals is worth little more than one-half of what the genuine pea meal is worth. This furnishes you with another example which will impress you with the desirability of compelling these materials to be sold according to guaranteed protein content.

*By Mr. Smith (Middlesex):*

Q. In the pea brans which are of the poorest quality there seems to be a larger percentage of fat than in the pure sample?

A. That is true, but in this case fat is of minor significance. The percentage of fat in pea bran is .44 a trifle under one-half of one per cent. The percentage of fat in the whole peas, that is in the kernel and the hull ground together is slightly over 1 per cent. Fat is very low in peas generally.

Q. I notice that in the samples there, the poorer qualities are higher in the percentage of fat than the pure meal?

A. Yes, they are slightly higher, it is true, but the difference is very small.

## COTTON SEED MEALS.

Now I might pass on to speak of another class of foods, cotton seed meal, which though not largely used in Ontario, is fed considerably by the farmers of the Maritime Provinces. It comes generally by water freight from Florida and the Southern States.

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There are several qualities of cotton seed meal upon the market. The genuine meal is one of high food value; its protein content is between 30 and 40 per cent besides some 10 per cent oil or fat, all of which makes it a highly concentrated food. I have brought two samples with me which may be considered as typical. One is a first-class cotton seed meal and the other an extremely poor one. Those who are conversant with this class of feed would have no difficulty in assigning a lower value to this sample from Barbados than to this other sample which I present to you under another name. The percentages of protein in these two, which I have handed to you are 26 and 43 respectively. It is scarcely necessary for me to emphasize the tremendous difference in food value of these two samples.

Q. This sample from Barbados contains 26 per cent of protein only?

A. Yes, it contains a very large proportion of hull, which lowers the protein content, increases the indigestible fibre and makes the feed of very inferior quality.

#### OIL CAKE MEAL.

*By Mr. Hodgins:*

Q. What is the food value of flaxseed?

A. Linseed meal or oil cake meal, as it is generally termed, will run about 32 per cent of protein and from 9 to 12 per cent of oil or fat. It is one of our most valuable feeds for supplying protein and fat and has deservedly won a high reputation among feeders. Oil cake meal is a by-product, the residue from the extraction of linseed oil from flax seed. The meal of flax seed (ground flax-seed) is but little used in feeding.

Q. And the food value of oil cake meal is high?

A. Yes, it is one of the most concentrated feeds. I think it is worth now about \$30 a ton, and it is undoubtedly a very excellent food and worth the money, compared with the price other foods are now bringing. All the samples I have examined from Canadian mills have been of good quality.

Q. A great many farmers use the meal from their own flax-seed?

A. Possibly so, but I cannot speak definitely on that point. It would be a very valuable feeding stuff.

#### MOLASSES FOODS.

The National Molasses Stock food consists of dried exhausted beet pulp to which molasses has been added, and while this material is not rich in protein, it contains a notable amount of sugar; it is a palatable feed of considerable value. 'Molasket Feed' is a material prepared from crude molasses and peat.

*By Mr. Sexsmith:*

Q. Peat?

A. Yes, with peat which is used as an absorbent, as a vehicle or means which allows the molasses to be used in convenient form.

Q. That is added, I suppose, to increase its weight?

A. No, not necessarily. Peat is used very largely in Germany to mix with molasses; the product is there a feed of recognized value.

Q. There is lots of peat up in Peterboro county but I did not know it was used for cattle food?

A. You must not suppose that the animal obtains any benefit from the peat which is associated with the molasses; the peat is used as an absorbent; it provides for the presentation of the molasses in an acceptable, convenient form. It has also another function. It is known that the molasses fed alone, owing to the potash salts which it contains, has a laxative effect upon the animal; if peat is associated with it larger

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quantities of molasses can be used without the laxative effect being noticed. It is evident, therefore, that peat acts as a corrective, correcting the laxative action of the molasses.

Q. Is not the peat a detriment to the animal?

A. No. There is no nutritive value in the peat, but used in this way it is not injurious to the animal. It acts, I presume, largely as so much indigestible vegetable fibre.

*By Mr. Barr:*

Q. What does molasses consist of?

A. It is a solution of uncrystallized sugars, and occurs as a by-product in the refining of sugar.

Q. What kind of sugar?

A. Beet sugar and cane sugar.

*By Mr. Sexsmith:*

Q. What would be the commercial value of peat and molasses feed?

A. I cannot give you the price at present, but think it is in the neighbourhood of \$18.00 to \$20.00 per ton. It is a material which must be valued simply from the amount of sugar that it contains; it is not a feed that furnishes protein. Molasket feed contains 56.89 per cent total sugar, of which 34.08 per cent is cane sugar and 22.81 per cent invert sugar. The use of sugar, as in molasses and molasses feeds, undoubtedly adds to the nutritive value of the ration, for practical experience has shown that in addition to its function as a heat producer in the system, sugar may be employed, within a reasonable limit, as a fattening agent. Apart from their direct food value, these sugar feeds are stated to act beneficially in increasing the appetite, stimulating the digestion and in keeping the animal in a thrifty condition.

Q. But it must have some relative value?

A. Yes, it has a relative value, that is quite true. That value, as I have pointed out, is dependent upon its percentage of sugar.

Q. Will you tell us how it would compare with other feeds?

A. That I can scarcely do, for it is in a class by itself. Other feeds are bought for their protein and fat, this feed has practically neither; it is not a concentrated food. It could not be used to 'balance' the ration, that is, to increase its protein content, it would be necessary for the best returns, to feed in association with other feeds that more particularly furnish protein, such as gluten meal, bran, or oil cake meal. But there is no doubt it is an appetizing material and that the sugar in it is highly digestible and that this sugar has a considerable value in the animal economy, both for the development of heat and energy and also for the production of fat.

*By Mr. Smith (North Middlesex):*

Q. Does not one of the values of that peat molasses lie in the fact that it makes other feed—probably very rough feed—more palatable?

A. Yes. I think it may have a value in that respect because it is undoubtedly a palatable and appetizing material. These remarks, of course, apply to other feed which I have shown you, consisting of dried exhausted beet pulp to which molasses have been added.

*By Mr. Nantel:*

Q. What is the price of these feeds?

A. I think they are selling at about \$18.00 or \$20.00 a ton, but the exact price to-day I cannot give you.



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## BENTS MILK ALBUMEN.

The sample which I now exhibit is a new material which has recently been put upon the Canadian market; it is an American product. It is used more particularly in the feeding of poultry. It is a very high grade material and appears to be a by-product in the manufacture of milk sugar. In other words it consists largely of the casein or curd of milk which has been separated, dried and ground. There are two grades, one containing about 40 per cent, the other about 70 per cent of protein, consequently both are extremely concentrated materials. They can only be used in small quantities, on account of their high protein content, but used judiciously they appear to give good returns. They are high priced materials, in the neighbourhood of three cents per pound, I believe. Our experience with them is as yet limited, but if the price is not too high I believe they will be found of value in poultry feeding, for laying and fattening stock.

## CONDIMENTAL FOODS.

*By Mr. Sexsmith:*

Q. Have you ever had any samples of stock foods, condimental foods, sent in to you?

A. Yes, we have and they have given us a great deal of trouble in their analysis. We do our best to point out to farmers that they are not worth the money asked for them. It is only a day or two ago that a sample was sent to us; it was a pound package with the price 50 cents on the label. The printing thereon was in French and the announcement was made on the bottom of the label that it was prepared by a certain Dr. Macdonald of the Experimental Farm at Ottawa. Of course, there is no such person at the Experimental Farm. Unfortunately we have not succeeded in tracing the habitat of the manufacturer so that we have been unable to prosecute him. This material is sold, as I have said, from 50 cents a pound and I presume it is worth between 3 and 4 cents, certainly not more than 10 cents.

*By Mr. Rutan:*

Q. Have you ever had herbageum sent in to you?

A. Yes, and you will find the analysis in my reports of 1904 and 1905. It contains about 20 per cent protein and 5 per cent fat. It is made with bran, wheat refuse and some linseed meal. It contains sugar, salt, charcoal and fenugreek. At that time I took up this matter of the condimental food stuffs and showed that they were being sold at fabulous prices, from the nutritive standpoint. We discountenance the purchase of the foods in emphatic language but their sale continues. It would be far better for the farmer to buy good wholesome feeds at reasonable prices and use them rationally.

*By Mr. Sexsmith:*

Q. What if they are sold as medicine?

A. If they are sold as medicines, again, I say, their price is extravagantly high. What are the drugs used in compounding them? Saltpetre, charcoal, sulphur, sulphate of iron, salt, gentian root, fenugreek, &c. They are all low-priced drugs. Some of them are only worth 3, 4 and 5 cents a pound and none of them more than 10 cents a pound, if my memory bears me out. If the animals require medicine, it would be cheaper and better from every point of view for the farmer to purchase at the drug store what he wants and to doctor the animals according to the ailment.

Q. Have you ever had any experience of the international stock feed? It must be very cheap because it costs them, they say, over two millions a year in advertising?



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Q. Yes, we have analysed that feed and it has a very low value compared with its price. It contains about 13 per cent protein and 4 per cent fat. It is made from 'wheat feed.' It contains salt, charcoal, fenugreek and probably gentian. None of the constituents are costly.

*By Mr. Smith (North Middlesex):*

Q. At Washington that feed was analysed and the report said the cost was 1 cent a pound?

A. I daresay such is the case. The factories are situated in Minneapolis where there are large flour mills and necessarily a tremendous amount of refuse and waste products accumulates. This is largely used no doubt in the compounding of the feed. The sale of this feed is tremendous and all sorts of schemes are employed to advertise it, for the profits are large. It is difficult to understand why farmers will persist in buying these condimental foods, especially when their nature has been made public in our reports and the agricultural press.

*By Mr. Sexsmith:*

Q. The manufacturers say their cost for advertising is \$2,000,000 a year. Who pays for that?

A. The consumer, the purchaser.

Q. The farmer?

A. Yes, there can be no doubt as to who pays for the advertising and also the large dividends. It is a profitable business, once it is well advertised.

*By Mr. Rutan:*

Q. There is an awful amount of that stock feed sold throughout the west, tons of it?

A. Possibly. We do all we can to keep the farmer posted as to the character of these materials. We give him all the information necessary to form a judgment as to their true value, but we cannot prevent him buying them. We find no occasion on the Experimental Farm to use them nor do the best feeders and dairymen.

*By Mr. Hodgins:*

Q. Speaking of oil cake meal, there is a lot of it used by the farmers but there is an impression that it is too strong a feed to use?

A. It cannot be used alone; it is too concentrated. But it is valuable as a part of the ration in supplying protein and fat. The quantity that can be used profitably in the meal ration, will largely depend on the requirements of the animal.

Q. How about pea meal?

A. It is, if genuine, a concentrated feed and must be used in conjunction with foods of lower protein content, in the same way as I have described for oil cake meal.

Q. It is a strong food?

A. Yes. It is one of the strongest foods. Mixed with shorts and crushed oats it makes a valuable feed for pigs. It can similarly be used for the other classes of stock.

Q. It is as strong as cotton seed meal?

A. No, but nevertheless it is a concentrated feed. These highly concentrated meals are used to 'balance the ration' and supply protein and fat in which the home grown coarse fodders are not rich. The latter (hay, roots, straw, etc.), contain less protein and fat than oil cake, gluten meal, cotton seed meal, linseed meal, and hence it is necessary to supplement them, as I have described for the best returns. No feeder of experience would think of using oil cake meal, or cotton seed meal or pea meal alone.

Q. What would you recommend along with linseed meal?

A. It may be used in connection with bran, shorts, crushed oats and barley. These feeds contain less protein than the linseed meal but will serve to give bulk to the ration and make it more digestible. Highly concentrated feeds, that is those very rich in protein and fat, must be fed, carefully and judiciously, both from the standpoint of profit and the health and thrift of the animal. Cotton seed meal, especially, must be fed carefully or the digestion of the animal will be deranged.

*By Mr. Smith (Middlesex):*

Q. These concentrated foods, for instance, whole flax-seed ground mixed with bran, bring up the balance of the ration in connection with ensilage?

A. Yes, they supply the protein and fat, in other words they balance the ration and serve to satisfy the requirements of the animal. Ensilage and roots, though valuable, do not furnish sufficient protein for the wants of the animal, and therefore, their use is supplemented with one or more of the meals we have been considering. The ration is compounded having in mind, the age and function of the animal and the nature of the feeds available.

The hour of adjournment having arrived the witness retired.

Committee adjourned.

Having read over the preceding transcript of my evidence, I certify the same to be correct.

FRANK T. SHUTT,  
*Chemist.*

# EXPERIMENTS IN HORTICULTURE

HOUSE OF COMMONS,  
COMMITTEE ROOM No. 34,  
WEDNESDAY, March 10, 1909.

The Select Standing Committee on Agriculture and Colonization met here at 11 o'clock a.m., Mr. Schell, chairman, presiding.

The CHAIRMAN: Mr. W. T. Macoun is present to address you this morning on matters connected with horticulture. I am sure, from the samples of fruit he has brought with him, you will be favoured with information that will not only be valuable but most interesting.

Mr. MACOUN.—Mr. Chairman and gentlemen,—I thought as there would probably be a number of new members here today, that it might be well to tell you at the outset a little about what we are trying to do at the Experimental Farm for horticulture in Canada, so that you will understand perhaps better the experiments which I would like to tell you about later on.

## WORK OF THE HORTICULTURIST.

The horticulturist at the experimental farm has in charge about 126 acres and that area is divided as follows. There are 27 acres devoted to tree fruits, 2 acres devoted to grapes and 11 acres devoted to small fruits, vegetables, &c., making 40 acres devoted to horticulture proper. In addition to that the horticulturist, who is also curator of the Botanic Garden, has charge of 65 acres which is devoted to the arboretum and Botanic Garden. He has also charge of 21 acres of experimental forest belts which run around two sides of the farm covering the 21 acres, making a total of 126 acres out of the 456 on the farm.

I may divide my work into five headings: First there is the experimental work, second the compiling of the results of our experiments in the form of reports and bulletins, third there is the correspondence, fourth, there is the identification of specimens which are sent in to us, and fifth, there is the attending of meetings. In regard to the experimental work on the farm we have during the last 22 years carried on a great many experiments there which you will find in the 21 annual reports which have been published by the horticultural division. Some of the principal lines of work have been the testing of varieties, the origination of new varieties, top grafting experiments, experiments in different methods of cultivation and spraying for fungous diseases. Then in regard to correspondence we have quite a number of matters in connection with that branch of the work.

## BULLETINS PREPARED BY THE HORTICULTURIST.

In regard to the reports and bulletins which have been issued, I should like to say, that during the last 11 years in which I have been horticulturist I have prepared the following bulletins: A bulletin on apple culture, giving directions for the culture of apples and the control of diseases, with a contribution from the late Dr Fletcher on the control of insects which attack the apple.

*By Mr. Lewis:*

Q. How many of these bulletins have been distributed?

A. I think about 60,000 were published in the first edition, and copies distributed to anyone who asked for them. I understand our mailing list is in the neighbourhood of 50,000.

Q. Have you any copies left?

A. Yes, there are some left.

*By Mr. Martin (St. Mary's, Montreal):*

Q. Were copies distributed in the two languages?

A. Yes.

*By Mr. Owen:*

Q. What was the date of publication?

A. The bulletin on apple culture was first published in 1901 but it was reprinted and revised in 1907.

Q. I should think one could get a few hundred of them?

A. I do not know that you could get a few hundred. We have been sending them out to individual applicants. The difficulty is that when they are asked for by the hundred they soon disappear.

Q. You must remember that you cannot send out too much of a good thing?

A. No, but the difficulty is that when the edition is limited some discretion must be shown.

Q. There should not be any limit to a good thing. That is the only way we have of reaching the farmer?

A. Yes. The next bulletin I would like to refer to is a bulletin which deals with plum culture somewhat at the same length as the apple bulletin, giving not only the result of many of our cultural experiments on the farm but a list of the best varieties for planting in different sections of the provinces of Ontario and Quebec. The same information was given in the apple bulletin.

*By Mr. Lewis:*

Q. What date is that?

A. The date of publication is July, 1903.

Q. At what time of the year do you distribute your bulletins?

A. As soon as they are available from the Printing Bureau. The next bulletin I might refer to is one on bush fruits, which covers the culture of the raspberry, the currant, the gooseberry and the blackberry. In this bulletin we have given cultural directions for all these fruits with the results of our experiments, lists of the best varieties, and also instructions how to control the different fungous diseases and insects which affect them. The date of this publication is April, 1907.

*By Mr. Lewis:*

Q. Are these bulletins numbered?

A. Yes. The next bulletin I might refer to is one on potato culture which gives the results of our experiments in the growing of the potato, also what we consider the best methods of culture for the potato, lists of the best varieties and also how to control fungous diseases and insects affecting the potato.

*By Mr. Broder:*

Q. What number is that?

A. This bulletin is No. 49.



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*By Mr. Staples:*

Q. Does that bulletin describe the best kind of machinery for handling potatoes on a large scale?

A. Yes. The next bulletin which I would like to refer to and which was issued recently is a list of herbaceous perennials which we have been growing in the Botanic Garden containing a list with descriptions of about 2,000 species and varieties. We have given short descriptions of flowers, the length of the blooming season, the height and the colour of the flowers and opposite them are stars—one, two or three as the case may be—representing the degrees of merit of these different varieties. This has been done with a large proportion of those listed.

*By Mr. Staples:*

Q. Are the same experiments going on at the western experimental farms?

A. Yes, somewhat the same but their publications are issued through the Central Experimental Farm, Ottawa.

*By Mr. Broder:*

Q. What is the number of this bulletin?

A. This is bulletin No. 5, second series.

*By Mr. Staples:*

Q. Does that contain the results of all the experiments that have taken place at the western experimental farms?

A. No, this is a catalogue of what we have on the farm here.

*By Mr. Jameson (Digby):*

Q. Is there a list available giving the number and the corresponding title of the bulletin?

A. Yes, that can be obtained on application. The one just referred to is the fifth bulletin, and then there is Bulletin No. 2, second series, which was published in 1899. I refer to the last because it was published jointly by Dr. Saunders and myself. It is called 'Catalogue of the Trees and Shrubs in the Arboretum and Botanic Garden.' Until the arboretum was established no one had much definite information as to what kind of trees and shrubs would succeed in Eastern Ontario and the province of Quebec, and which would be likely to succeed in other parts of the country; but we have gathered there one of the finest collections of trees and shrubs to be found on the American continent. I have personally visited the Arnold Arboretum in Boston, the Missouri Botanic Gardens and other places, and I believe we have one of the best collections on the continent. We have now tested over 3,000 species and varieties of trees and shrubs. Most of these are now under test at the farm, and in the bulletins just referred to we published information showing the degree of hardiness of most of the varieties, so that any one wishing to plant a certain species by consulting the bulletin will find out whether it will be likely to succeed or not.

*By Mr. Smith (Stormont):*

Q. What is the number of the last bulletin?

A. No 2, second series, published in June, 1899.

*By Mr. Blain:*

Q. Has each department a separate mailing list?

A. Each department has a separate list, a small mailing list of those who are especially interested. For instance, specialists will receive these publications. They are on a list but not a very large one; I think there are about 200 names on it.

*By Mr. Martin (St. Mary's, Montreal):*

Q. How have you obtained that list?

A. If any one writes to me at the Farm and asks to be sent the fruit publications, they go on my list. There are a few people who apply in that way but not a great many. Most people like to get all the publications. The bulletin on herbaceous perennials is only sent to individual applicants because it is thought there would only be a limited number of people interested in the publication and it would be better not to send it to everyone. That will give you some idea of the work involved in our reports and bulletins. As I said before, we have published 21 annual reports in connection with the Horticultural Division in which has been given from year to year the results of our experiments and the conclusions reached where we have arrived at any.

#### CORRESPONDENCE OF THE HORTICULTURAL DIVISION.

Passing on to the correspondence of the division, we have found an increasing interest every year in the work of the farm and our correspondence has been increasing in proportion. The farmers and fruit growers are beginning to look upon the farm as a bureau of information. I have a few letters here taken at random from recent correspondence, and I would like to read you a sentence or two from each, to give you an idea of the range of questions which we have to answer. By having this area of land on the farm devoted to experimental work we are able to answer these questions in a much more intelligent way than if we had not had practical experience of our own. Let me start with this letter first:

'I have 200 apple trees, half of them planted out last spring, the other half the year before. Last fall I noticed a gummy juice oozing out of the south side of the first year's planting. Is this sunscald? Anyway it seems to poison the trees causing those affected to die. Would wrapping the trees with wood veneer as soon now as I could get it be a means of saving those that are not now dead? Would you be kind enough to give me instructions as to how to go to work to save my trees?'

We were able to tell that man that he could save those trees which were not yet affected by shading the south and south west sides of the trees at once which would prevent the sun shining on that side and throwing them out. We have found that the constant thawing of trees on the south side breaks up the cells and the result is that side of the tree dies. At the experimental farm we protect thousands of trees every winter by wrapping around them paper or veneer to prevent this sun scald.

*By Mr. Staples:*

Q. That would only affect the tree at a certain age, would it not? When the tree gets older it would be able to stand that?

A. We have found sun-scald worse during the first three or four years of the tree's growth. After the tree becomes well established and the flow of sap healthy or normal we do not find it quite as much affected. After the tree begins to put on rough bark they are not very much affected.

*By Mr. Wright:*

Q. How would you detect that?

A. You very soon notice it. When the trees begin to grow in the spring, instead of that side of the trees being filled out with sap the bark shrinks and dries up and the south and south-west sides of the trunks of the trees would soon be dead without proper treatment. Very often the disease sets in before the wound in the affected tree heals over, and so the tree dies.

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*By Mr. Owen:*

Q. Would you recommend planting an orchard on the north of a slope?

A. Yes, it is very much better for that special reason. It does not matter so much farther south where the extremes of temperature are not so great in the spring season of the year. Where we have such a great range of temperature, as in some parts of Canada during the latter part of March and sometimes early in April which is very severe on trees, it is as well to take every precaution that we can. Here is another letter that we received:

‘Some years ago I got some scions of the Americana varieties of plums from your farm which have just commenced to bear and although not as good as the European varieties yet I am very well pleased with them. Now the European and Japan varieties in this section are badly affected with black knot but the Americana varieties so far are entirely free from it. Two years ago I grafted some of the European varieties on the Americana varieties. They were top grafted. The grafts of the European varieties are completely covered with the black knot while the rest of the branches. Americana, are entirely clean and free from the pest.’

Another letter:

‘I am mailing you today a sample of a seedling apple—I call it the ‘Frontenac.’ Kindly look it over and sample it and let me know what you think of it.’

In a case of that kind we take a full description of this apple on a blank we have, covering all parts of the fruit. We take into consideration the size, the shape, the colour, the length of stem, the depth of the basin and cavity, the character of the flesh and flavour and so on. We have a permanent record of that seedling because we don’t know but what it may in time be advertised very extensively by nurserymen or it may be a variety that will be very valuable in the country, and we wish to have an accurate knowledge of it ourselves so as to place this before the people in advance. The next letter I want to quote is from British Columbia and I may say here that our correspondence with that province has been increasing very rapidly:

‘I am writing you to see if you can give me any information regarding a block of sweet cherry trees 6 or 8 years old. Last year they were noticed to have a considerable dead wood in them. This year some trees are dead altogether. On digging around what is alive we find patches dead which are gradually spreading around the trunks. All the affected wood is under ground and below the grafts. If you would kindly let me know the cause of the same and remedies, if any, I would esteem it a favour.’

We have had quite a number of cases from British Columbia during the last few years where injury somewhat of that character has occurred with apple trees, cherry trees and other trees, and as far as I can make out it is due to late irrigation and late growth. We have had some experience here where our trees grew very well until the wet season set in and then too much sap accumulated in the trees. When a hard frost came that part of the tree in a very sappy condition suffered, the bark was often split or loosened and as a result the tree was badly injured.

*By Mr. Owen:*

Q. You mentioned nursery stock. There are a great many complaints of nursery stock that comes from the United States to Canada. It is treated before leaving that country for the San Jose scale and fumigated. The stock is fumigated again after arriving in Canada and the treatment being very severe many of the trees die after being set out?

A. Well so far as our experience goes, and we have imported trees from the United States from year to year for our experimental work, we have not found that to be the case. I believe such results are often due to carelessness on the part of someone else rather than to the treatment in the fumigation stations.



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Q. You think that young trees can stand the treatment twice?

A. Yes. I understand that some experiments are being conducted this spring, or were to be conducted this spring, by the Ontario Government to try and find out whether there was anything in this statement or not but so far as I know there is nothing in it.

Another communication I have is from the Canadian Horticulturist concerning replies to questions from one of their correspondents.

This gives you some idea of the correspondence that comes to us. It is gratifying sometimes to feel that one's efforts in this direction are appreciated because it is surprising how few people will acknowledge letters that are sent to them giving information. This is a letter from an Ontario man dated 25th February. He says:

'Your favour of 22nd re potatoes and onions and intensive culture of these bulbs, to hand. I write to you to tender my thanks for valuable information imparted in this letter. I scarcely expected an answer as I know you must have a vast amount of correspondence and could only attend to most important. I am experimenting to ascertain what possibilities there may be under intensive methods. Hence my questions re potatoes and onions. I shall put as a surface dressing about 2 inches of well rotted stable manure and I shall try seed sown in drills 8 inches apart and thinned 4 and 6 inches apart, and also sow plots 14 inches apart, thinned to 2 and 3 inches, and note results. I shall also try nitrate of soda on some plots as you advise. I have a vast amount of literature on horticultural subjects but the bulk of it is poor stuff, evidently written by people who have larger conceit than knowledge. I consider you the most reasonable and scientific of the whole bunch otherwise I should not have written you asking any questions.'

He mentions that he had a new variety of potato called French Monarch, and I told him that we would be very glad to try it. Gentlemen, that gives you a little idea of the kind of correspondence we have to deal with.

#### IDENTIFICATION OF VARIETIES OF FRUITS.

With regard to the identifying of varieties of fruits, we have found that since the Fruit Marks Act came into force some years ago, the number of specimens sent into us for identification has increased very much, because as you know, fruit growers are obliged to put on the closed packages the correct name of the apple they have packed, and it is very important for them if they have a variety to find out what it is, so that we have increasing number of specimens sent in to us for name. On the whole I think we have given fairly good satisfaction in naming fruits although it is not possible for any one person to know all of them. But having, as we have at the experimental farm, many hundreds of varieties of fruits we have a fair knowledge of them and if we do not know the variety ourselves we usually know someone to whom we can send it who is likely to grow that sort. The naming of fruits is a most interesting work because it tests one's knowledge and it affords the opportunity of finding out new sorts.

#### MEETINGS ATTENDED BY THE HORTICULTURIST.

Then each winter it is the work of the Horticulturist to attend any meetings which are authorized by the Hon. the Minister of Agriculture, and to give what information he can to people at such meetings. During the last few years I have attended most of the large provincial gatherings in Eastern Canada and given considerable information of value to the people. This year in addition to our regular work we attended the short course at the Agricultural Colleges at Guelph, St. Anne's and Truro, N.S., and took part in the proceedings with the other speakers for two or three days, and I think helped the work of those institutions.



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*By Mr. Staples:*

Q. Did you attend the short course in Manitoba Agricultural College?

A. No, not this year.

APPLES ORIGINATED IN THE HORTICULTURAL DIVISION, EXPERIMENTAL FARM, OTTAWA.

Now I should like to tell you a little about two or three lines of work which we are conducting at the farm which are proving of value, or if they have not demonstrated so far that they have been of value I believe they will in the very near future. The colder parts of Canada—and when I say in the colder parts of Canada I mean practically all Canada outside of the Annapolis Valley and adjacent parts of Nova Scotia, the warmer parts of Ontario and the warmer parts of British Columbia—over these vast areas in Nova Scotia, parts of Prince Edward Island, New Brunswick and Quebec, all eastern and central and northern Ontario, the great prairie sections and the colder parts of British Columbia, this climate is not suited to the kinds of fruits which have been recommended very often by people as being suitable for these sections of country. For instance, I refer to apples such as the Baldwin, the Spy, the Greening, the King and some other varieties. The reason is that these apples come from the country farther to the south, where there is a warmer climate, and are not suited to the climatic conditions such as we have in these vast areas of Canada which I have mentioned. Therefore, what we have been trying to do at Ottawa is to develop fruits which will be suitable to these parts of the country. For instance, we have got the McIntosh Red and these specimens of this variety on the table before me were grown at Ottawa. The McIntosh Red is an almost ideal apple as far as quality and appearance are concerned. But unfortunately it is not a long enough keeper, and that is a quality which is lacking in the fruit grown in these colder parts of the country. I have found as a result of our experiments and observations that late keeping apples are usually borne on late growing trees. It is very difficult indeed to get a late keeping apple and also a tree which will ripen its wood thoroughly where the temperature falls 20, 30 or 40 degrees below zero. It is very necessary to have a tree with a thoroughly ripened wood and for that reason it has been difficult to find such an apple in the country. But upon careful observation I find that we have a few varieties of apples which combine thorough maturing of tree with late keeping of fruit, which combine early maturing but late keeping fruit with early maturing of tree. I have brought, for example, this morning a variety called the Milwaukee apple. This apple is ready for use early in the winter but will keep all winter. It is a winter seedling of the Duchess and was not originated at Ottawa, but it gives you an example of what I wished to bring out. If any of you care to test it, you will find this apple is just as solid as any of the late keeping apples which are not ready to eat until after Christmas.

*By Mr. Broder:*

Q. Did you say it was a seedling of the Duchess?

A. Yes, a seedling of the Duchess produced in Wisconsin. This specimen was grown on the Experimental Farm in Ottawa.

*By Mr. Lewis:*

Q. On what kind of soil?

A. A sandy loam soil.

Q. Is there any connection between the keeping qualities of an apple and the class of soil upon which it has been raised?

A. There is to some extent. A sandy loamy soil usually ripens fruit earlier in the season. But if you were to pick fruit at the same stage of ripeness on sandy loamy soil and on clay soil you would not find much difference in the keeping quality. On the sandy soils in some parts of the country the fruits mature too early but the keeping quality is more influenced by the climate and stage of maturing than the soil.

Q. Your experiments are all conducted on sandy soil?

A. On a sandy loam soil.

Q. You have no clay soil at the Experimental Farm.

A. There is no clay soil in the orchard there. In Eastern Ontario a clay soil is not found suitable for apple growing because it is too cold.

*By Mr. Broder:*

Q. Tile drainage would help it?

A. Tile drainage would help it but it does not warm the soil enough to make the trees thrive sufficiently and my observations, covering a good many years now, lead me to believe that the temperature of the soil in summer has a great deal to do with the success in growing fruits.

*By Mr. Owen:*

Q. Is the Milwaukee a hardy tree?

A. It is a very hardy tree. It fruits early and is proving a very desirable kind in Eastern Ontario. It just like the Duchess in quality, is acid but has little flavour. It is a splendid cooking apple and is relished by a good many people at this time of the year on that account.

*By Mr. Sexsmith:*

Q. Does it cling to the tree pretty well?

A. Pretty well.

Q. It has a short stem?

A. Yes, but it clings pretty well to the tree.

Q. How would it do in an ordinary orchard?

A. In a sod orchard it might possibly drop more but I am just bringing this out as an example of what we are trying to work out in regard to winter apples in Ottawa. In this variety we have an apple which matures early and will keep all winter and we have a number of varieties like that. I find that these winter apples which have originated in the colder parts of the country, like the Baxter, Scott Winter, Canada Baldwin and two or three others I might name, are apples which mature very early in the winter, keep all the winter and have a hardy tree.

Q. Are they early bearers?

A. The Scott winter is an early bearer. Finding we had a certain number of apples to work with we have been crossing these apples with such varieties as the McIntosh Red hoping to get a combination of the good keeping qualities of these later kinds with the better flavour of the McIntosh and combining that with a hardy tree.

*By Mr. Blain:*

Q. How long have you been experimenting with the Milwaukee?

A. Since 1895.

*By Mr. Broder:*

Q. You have the history of the McIntosh Red I suppose?

A. Yes, sir.

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Mr. BRODER.—I know the district very well where it originated and the man it was named after.

*By Mr. Sexsmith:*

Q. Have you experimented with the Ben Davis to try and improve its qualities?

A. No, the Ben Davis is not quite hardy enough at Ottawa and for that reason I have not worked with it as a parent. We have been combining quite a number of varieties in different ways. We have crossed the McIntosh sometimes using it as the male parent and sometimes as the female parent. We have used the Northern Spy as male and female parents and with the Duchess and with other varieties to try and combine hardiness with high quality.

*By Hon. Mr. Fisher:*

Q. How long has the Milwaukee been bearing?

A. Since 1898. We had a top graft of it at first but have had the trees growing since 1895.

*By Mr. Martin (Wellington):*

Q. After three years it commenced to bear?

A. Yes. First of all we got top grafts which bore fruit and then we also had trees of that variety, not our own trees but we bought trees. I am just pointing out the Milwaukee as an example, I am not strongly recommending it.

*By Mr. Broder:*

Q. It is a long keeper?

A. It is a good keeping apple.

Q. Of course, the Duchess is not a good keeper?

A. No. There is only a limited time in the spring for doing this cross breeding work and with many other duties to discharge it is impossible to spend much time at it. We are, therefore, carrying on another line of work in apples by growing seedlings from the best we produce. We have in our orchard about 2,000 apple seedlings, seedlings of the Northern Spy, seedlings of the McIntosh, of the Fameuse, of the Wealthy, of the St. Lawrence, of the Ontario, and a number of other kinds.

Q. Seedlings are hardier than the grafted fruit?

A. Most of the seedlings are hardier. We have found some remarkable results in the seedlings. A very large proportion of them are good marketable apples and I should like to give you for a very few moments the characteristics of 93 wealthy seedlings:

The Wealthy apple is such a well-known variety in North America and has proved itself so generally desirable that we have thought it would be useful and interesting to record at this time some of the characteristics of seedlings of the Wealthy fruited at the Central Experimental Farm.

In the year 1898, seed was saved from Wealthy fruit grown at Ottawa. No special selection was made of the fruit, though seed was not taken from poor or small fruit. The male parent or parents being unknown; but as the Wealthy trees grew near trees of the Duchess of Oldenburg it is probable that in some cases the Wealthy was pollenized by that variety, although from the fact that the Wealthy is self-fertile it is probable that a large proportion of the flowers were self-fertilized. The seeds were sown in the autumn of 1898. They germinated the following spring, and the trees were set out in nursery rows in the spring of 1899. In the spring of 1901 and 1902 there were 153, in all, of the best trees planted out. Most of these were planted 15 feet apart, but about one-third of them was planted 10 feet apart. Of the 153 trees set out only 11

have died or been winter killed and there have been some severe winters since they were planted.

*By Mr. Owen:*

Q. Nearly all of them are bearing?

A. The majority of them are bearing. Of the 142 remaining trees, 98 have fruited and it is interesting to note when these trees began to bear. One tree fruited in 1903, 5 years after sowing the seed; one tree fruited in 1904; 19 in 1905; 22 in 1906; 11 in 1907; 44 in 1908. Of these 98 seedlings, 93 have been described; descriptions have been made of good and bad alike. It is from the data available on our description blanks that the following results have been tabulated. Some of the outstanding characteristics of these Wealthy seedlings are: first, the hardiness of the trees, most of them appearing to be equal or superior to Wealthy in hardiness; second, their early bearing habit; third, their great productiveness; fourth, the very large proportion of seedlings bearing marketable fruit; fifth, the general resemblance to Wealthy in a large proportion of the seedlings, particularly in colour, and the rounded, regular outline of the fruit and character of flesh.

While fuller descriptions were taken, the characteristics given in this paper refer only to size, form, colour, acidity, quality, season and degree of resemblance to Wealthy. All the descriptions were made by the writer, hence, as near as possible, the same standard was followed throughout, but even so, the descriptions of the characteristics dealt with may not always be true as one's opinion in regard to acidity or flavour, for instance, may vary somewhat from one year to another. With the majority of the seedlings, however, the description taken one season has been confirmed or altered in a second season, and sometimes in a third season, in order that it might be as accurate as possible. The fruit of the Wealthy itself as grown at Ottawa may be described as medium to almost large on young trees; roundish, yellow well splashed and washed and sometimes completely covered with crimson; flesh yellowish, sometimes tinged with red, crisp, tender, juicy, briskly subacid with a pleasant aromatic flavour; quality good to very good; season late September, October and November.

In the following table are given the percentages of different characteristics, based on the descriptions of 93 seedlings:—

#### CHARACTERISTICS OF 93 WEALTHY APPLE SEEDLINGS.

Size.	Per Cent.
Small (distinctly crablike—5.37) . . . . .	6.45
Below medium . . . . .	16.12
Medium . . . . .	40.86
Above medium . . . . .	26.88
Large . . . . .	9.67
	<hr/>
	99.98

Wealthy is medium to almost large.

Form.	Per Cent.
Oblate . . . . .	30.01
Roundish . . . . .	64.62
Conical . . . . .	2.15
Oblong . . . . .	3.22
	<hr/>
	100.00

Wealthy is roundish.



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Colour.	Per Cent.
Green or yellow . . . . .	0.00
Splashed or washed with crimson and red. . . . .	79.56
Splashed or washed with pink or pinkish red . . . . .	5.37
Splashed or washed with orange or orange red . . . . .	15.05

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 99.98

Percentage dull red. . . . .	21.50
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Wealthy is yellow, splashed and washed with crimson.

Acidity.	Per cent.
Sweet. . . . .	16.12
Mildly subacid. . . . .	1.07
Subacid. . . . .	34.40
Briskly subacid. . . . .	38.70
Acid. . . . .	9.67

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 99.96

Wealthy is briskly subacid.

Quality.	Per cent.
Below medium. . . . .	4.30
Medium. . . . .	30.10
Above medium. . . . .	46.23
Good. . . . .	19.35
Good to very good. . . . .	0.00

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 99.98

Wealthy is good to very good.

Season.	Per cent.
August-mid September. . . . .	27.95
Mid September-October. . . . .	30.10
October-November. . . . .	23.65
December-February. . . . .	8.60
December-April. . . . .	9.67

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 99.97

Wealthy is in season late September, October and November.

Resemblance to Wealthy, more or less.	Per cent.
In outward appearance. . . . .	62.22
In flesh. . . . .	45.55
In flavour. . . . .	14.44
No resemblance. . . . .	22.58

(Percentage in this case based on 90 seedlings).

Marked resemblance to Wealthy.	Per cent.
In appearance. . . . .	21.11
In flesh. . . . .	14.44
In flavour. . . . .	3.33

In appearance and flesh. . . . .	11.11
In appearance, flavour and flesh. . . . .	2.22 (*)

(Percentage in this case based on 90 seedlings).

(*) Same season as Wealthy. . . . .	1.11
Later season than Wealthy. . . . .	1.11

There are some interesting facts brought out in this table. Although Wealthy is said to have been grown from 'Cherry Crab Seed,' only 5.37 per cent of the seedlings, or six out of the ninety-three described was distinctly crab-like. The fact that 93½ per cent of the seedlings was large enough to be marketable is worthy of note. It is remarkable that not one of the seedlings was entirely green or yellow, all having more or less red. It is interesting to note that over 15 per cent was orange or orange red in colour. In this connection it may be stated that quite a number of the seedlings had the peculiar flavour of sops of wine or haas, which are of this colour and while the sops of wine and haas were in the same orchard with the Wealthy trees they were a considerable distance away. It will be noticed that over 16 per cent of the apples was sweet, while only 1 per cent was mildly sub-acid. There was over 65 per cent of the seedlings above medium and better in quality, which is a remarkably large proportion we think. Over 23 per cent of the seedlings was about the same season as Wealthy and over 18 per cent later, which is encouraging in the breeding of hardy winter apples. The large proportion of apples which bear more or less resemblance to Wealthy is worthy of note.

We are propagating the best of these Wealthy seedlings as well as seedlings from other varieties. My idea is to send these to a few people that I know are interested in trying experiments so as to get an unbiased opinion of their merits; because naturally the one who originates the variety is apt to think it is better than it really is and I think that we should, before saying much about the merits of these varieties, have them tested by other persons and have them fruit.

*By Mr. Owen:*

Q. How many acres did you say you had in orchard?

A. We have 27 acres of tree fruits.

Q. How often is that ploughed?

A. Ploughed every year.

Q. And fertilized every year?

A. Parts of it are fertilized but not all fertilized every year.

Q. When manures are not procurable what is the next best fertilizer? I suppose barnyard manure is the best?

A. We have not used commercial fertilizers in our orchard but where barnyard manure cannot be procured I have been recommending a cover crop of vetches or clover to supply the nitrogen and 200 pounds of ground bone and the same quantity of muriate of potash to supply the phosphoric acid and potash. That will return sufficient plant food to the soil to keep up the fertility.

Q. You would not recommend taking a crop off the soil in the orchard every year?

A. I would not except in some cases when the trees are quite small.

*By Mr. Sexsmith:*

Q. You say 200 pounds of ground bone to the acre?

A. Yes, it is not very much.

Q. No. You would not recommend seeding the orchard down?

A. No. There are some sections of the country where seeding down has not as injurious effects as in others; in fact in some places where there is too much moisture

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in the soil I believe seeding down is desirable because it will exhaust the soil moisture. In apple growing districts, however, I believe it is undesirable.

*By Mr. Smith (Stormont):*

Q. What about using wood ashes?

A. Wood ashes are very desirable if you can get them. Muriate of potash is recommended instead of wood ashes because the latter are not always available.

*By Mr. Blain:*

Q. In your bulletin do you give a simple explanation as to how to control the ordinary apple pests?

A. I think my bulletin on apple culture makes that very clear.

## INDIVIDUALITY IN APPLE TREES.

There is one other line of work I would like to draw your attention to and that is individuality in apple trees. Now stockmen and poultrymen and specialists in live stock have devoted a good deal of attention to the question of individuality. Fruit growers, however, have not given to the subject that attention which they should. At the experimental farm we keep an accurate record of the yield of every bearing apple tree in our orchard so at the end of a period of 10 years we are able to tell just how much each individual tree has borne. We have the records now of the past 10 or 11 years and we find there is a remarkable difference in the yields of individual trees of the same variety planted on the same day. We are propagating the least productive, the most productive and propagating from the one that bears the most crop every year to find out if these characteristics are continued when we graft the tree. Although this may not be borne out, we want to find out whether it will or not; and I think if we demonstrate the fact that there is permanent individuality in trees it will be very valuable information for the country as then we can advocate strongly the propagation of trees from the most productive varieties. Now to give you a little idea of the variation. Out of fifteen trees of the Wealthy variety—I am giving you extreme cases because we are propagating from extreme cases, in ten years one yielded 154 gallons. If you divide that by twenty-four you will get the yield in barrels. Another tree which yielded the least fruit only gave 58½ gallons, a difference of 95½ gallons or nearly three times as much from the large bearing tree as from the other.

*By Hon. Mr. Fisher:*

Q. The same age?

A. The same age.

*By Mr. Sexsmith:*

Q. How old were those trees?

A. Those trees were planted in the year 1896.

Q. They have just produced that much apples?

A. That much apples. Now I will give you the results from older trees that have been planted for about 20 years. We have eight trees of the McMahan variety under test. It may not appeal to you gentlemen who come from the apple districts, but this is one of the best cooking apples grown and very hardy and very productive.

*By Hon. Mr. Fisher:*

Q. Is it a good keeper?

A. No, it is a fall apple ripening in October and November. Now here are the records of 8 trees for 11 years. One tree yielded 753½ gallons and the other 163

gallons, a difference of  $590\frac{1}{2}$  gallons or  $24\frac{1}{2}$  barrels, or an average for 11 years of over 2 barrels more per tree per year. At 40 trees per acre this would be 80 barrels more per acre per year and at \$1 per barrel for half of that quantity it would mean \$40 more per acre per year, a very respectable increase. Now take the record of 5 trees of the Patten Greening, a very hardy fall apple. One tree yielded  $502\frac{1}{2}$  gallons and the other  $230\frac{1}{2}$  gallons, a difference of 272 gallons or more than twice as great. In the case of the McIntosh Red we have only a couple of older trees for comparison, but the results have been that one tree has produced more than twice as much as the other, one bearing  $501\frac{1}{2}$  gallons and the other  $230\frac{1}{2}$  gallons, in eleven years.

*By Mr. Sexsmith:*

Q. Both equally good?

A. Both good strong trees, about the same kind of soil and grown near each other. These results are very striking and they appeal to me, as I think they must appeal to you, and although there may not be anything in it at all—it may be due to some local condition of the soil—yet the facts as borne out by different varieties of trees grown in different parts of the orchard seems to show there is something in it.

Q. I think a good deal depends upon the soil?

A. The soil may have something to do with it, of course.

I have not very much time left but I would like to refer to some breeding work with vegetables.

*By Mr. Broder:*

Q. Before you leave this subject does the result not depend upon whether the pollen reaches the tree or not? The wind might drive it in another direction?

A. That might affect it somewhat but not to that extent under the conditions in which these trees are growing. We are trying to find if this individuality is permanent in two ways, by root grafting and top-grafting. We have the least productive, the most productive and the uniform bearers all top-grafted on one stock, to find out what these will produce on the one stock.

#### EXPERIMENTS IN THE SELECTION OF TOMATOES.

We have been conducting some experiments with vegetables, because the vegetable part of our work is very important, but I have only time to refer to some experiments we have been carrying on with tomatoes during the last six years. We feel that all over Canada it is very desirable to develop the earliest strains of vegetables, that is for the great mass of the people, and for this reason we are working on early strains of tomatoes, beans, peas and corn. I should like to give you some figures with regard to tomatoes. For the last six years we have been selecting each year from the plant which bore the largest crop of the most uniform early fruit and from the plant which bore the largest crop without respect to earliness. The seed from one tomato from each of these selections was sown each year and the results are very marked. Let me take the results in 1908. The selection for uniformity and earliness gave a yield from forty plants up to August 18, at the rate of fifty-four bushels per acre. The selection for uniformity and productiveness gave a yield from forty plants up to August 18, at the rate of  $27\frac{1}{2}$  bushels per acre. The total yield for the season from the plants that were selected for uniformity and earliness was 741 bushels per acre while in case of the plants selected for uniformity and productiveness the total yield for the season was 889 bushels, or an increase of yield by selecting for productiveness of about 20 per cent. The average date of the first ripe fruit of the forty plants we were selecting for earliness was July 27. In the case of the plants we were not selecting for earliness it was August 15. Thus you see that where selected for earliness the fruit



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ripened nineteen days earlier than where selected for productiveness and where selected for earliness the yield up to August 18, was about double that where selected for productiveness; but the total yield where selected for productiveness was about 20 per cent greater than where selected for earliness. I think that these results are striking and show that there is room for the production of Canadian grown vegetable seeds where it is practicable to do it on a commercial scale; and even where it is not practicable to do it on a commercial scale I believe every farmer should select, as far as he can, his own seed of the type he wishes to grow on his farm. In that way I believe he would soon make a wonderful difference both in his returns and in the kind of products that he has. As the time is nearly up I shall be very glad to answer any questions which you may have to put in regard to this work. I have only touched on a very few features of the work but I hope they have been of interest to you.

Perhaps it might be just as well to call your attention to a few of these apples at present displayed before me and which I brought here to show the remarkable difference in seedlings. I have here some seedlings of the Syawzie which is one of the most delicious apples we grow. Most of them have more or less of the peculiar aromatic flavour of the Swayzie but the general appearance of the progeny is quite distinct from the parent apple. We have some very promising specimens of these Swayzie seedlings and we are propagating them. Not only is the fruit larger and more marketable, but the trees are more vigorous. That is a remarkable thing. The Swayzie tree, as any of you know who grow it, is a poor grower whereas the seedlings are on the whole remarkably strong growers. Very few of the seedlings are russeted like Swayzie, most of them being larger apples without russetting.

*By Hon. Mr. Fisher:*

Q. Are they hardy?

A. Most of them are quite hardy.

*By the Chairman:*

Q. How do you treat the seed?

A. We find it best to plant them shortly after the ripening of the fruit. If we hold the seed over winter it becomes somewhat dry, and if there is a dry spring the seed will probably not germinate all that season. If the seed is sown when it is fairly moist it will germinate early in the spring and you will have a nice little plant of about 6 inches to start with. These are transplanted to the nursery rows and after a time put out in the orchard.

*By Hon. Mr. Fisher:*

Q. Have you been testing these seedlings any time?

A. Some of these seedlings we have been propagating for four years, the best of those which have fruited being perpetuated in this way.

*By Mr. Sexsmith:*

Q. Are they heavy bearers?

A. Not as heavy bearers as the Wealthy seedlings. Nearly all the Wealthy seedlings have the wonderful bearing habit of the parent. I might say that we have about 100 Northern Spy seedlings and out of that number only 7 or 8 have fruited although the seed was planted in 1898 showing that the light bearing habit of the Spy comes out in the seedling. I am glad to say that some of the seedlings of the Spy have proved of very good quality and if they turn out to be sufficiently productive it will be desirable to propagate them.

*By Mr. Lewis:*

Q. Have you any experience in regard to orchards taking a very long time before they come to bearing? For instance, in regard to Spies or Baldwins, some take 3 years longer than others.

A. There is a great difference in the time when trees come into bearing. Two varieties showing the extremes of early and late bearing habits are the Wealthy and the Spy.

Q. I was not speaking of that. I had in mind the fact that a number of orchards on the shores of Lake Huron take two or three years longer coming into bearing than others farther back?

A. We find that trees which are growing very fast will not bear so quickly as those which are only growing at a moderate rate; and sometimes they will bloom but not set fruit, the fruit buds do not seem to have been nourished or matured sufficiently.

Q. The trees that I refer to are strong healthy trees and there are probably 500 of them?

A. That occurs in cherry trees more than apple trees. You find young cherry trees which are of very strong growth and blooming well but evidently the fruit buds are not sufficiently nourished to develop the fruit from them.

*By Hon. Mr. Fisher:*

Q. The strong growth is evidently due to rich soil?

A. Probably it is the rich soil and the moisture.

*By the Chairman:*

Q. Have you noticed any earlier bearing by trimming back?

A. Yes, by summer pruning. We do not recommend summer pruning, it is not a very practicable method with us but if you have lots of time you can do it. If you prune too much you injure your tree. In England many people have their gardeners who can give the necessary time to pruning.

#### GROWING OF CEDAR AND HEMLOCK HEDGES FROM SEED.

*By Mr. Lewis:*

Q. I would like to ask how you grow cedar and hemlock trees from seed. Through our country on a great many farms there are evergreen hedges extending from the highway up to the door of the dwelling?

A. The plan is to get the cones in the late autumn, to spread them out in a dry room on paper and the seed will drop out. It is collected and kept dry until the spring. In the spring it is sown broadcast on the bed. We find it desirable to enclose the bed with pieces of board because the seed is protected better. Cover the seeds lightly with sandy loam soil, pack it down with a mallet and then shade the bed with laths so that the sun will not fall directly on it. The seeds will germinate during the spring. We find the most critical time in the growing of these evergreens is just when the seedlings are coming through the ground and the hot sun scalds them. In their native haunts they start up in the shade and so you have got to give them that. Have your laths perhaps a foot and a half up from the bed so as to permit the circulation of air. The laths should be the width of themselves apart and made into a frame. The young plants are grown two seasons in the beds when they are transplanted to nursery rows.

*By Mr. Broder:*

Q. You might put the seeds under a tree?

A. They need moisture to germinate and if put under a tree they might not get it.

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*By Mr. Hodgins:*

Q. When is the proper season to trim the cedar hedge?

A. In the month of July is the best time.

Q. Do you approve of cutting them square on top?

A. I believe in having them wider at the bottom than at the top. At the experimental farm we started our hedges with a rounded top, but I do not believe now that that was the best method for the reason that the lower parts are shaded from the direct rays of the sun by the overhanging top and they are beginning to go. The idea is to have them a little wider at the base than at the top so that the sun will shine on the base otherwise the hedges may die off at the base.

*Hon. Mr. Fisher:*

Q. Really the natural shape of the tree?

A. Yes, nearly the natural shape of the tree as far as being broad at the base and narrow at the top is concerned.

Q. What time would you prune spruce?

A. The latter part of June or early in July after the greater part of the growth has been made. I believe it is most satisfactory to have it pruned so as to have as long a period as possible with a neat hedge. By pruning in late June or early in July one will have a nice clean hedge all the rest of the summer. It will also be neat through the winter and the spring up to the time when growth is made; that is the theory I have worked on and it has operated very well in practice.

*By Mr. Hodgins:*

Q. Speaking of apples what variety would you recommend as the most profitable to grow in the Ottawa valley.

A. The Wealthy and the McIntosh. The McIntosh apple though is just doubtfully hardy in the Ottawa Valley about Ottawa. It is all right at certain places in the Ottawa Valley but speaking generally of this district it is doubtfully hardy. I would not be at all surprised if some year we will get a test winter that will badly injure the McIntosh. Therefore, I would like to tender a word of caution.

Q. Then for the Pontiac District it would not be available?

A. No. The leaves of McIntosh stay on until late in the autumn and when you see that you may know the wood of the tree is not as ripe as it should be.

*By Mr. Smith (Stormont):*

Q. It is all right along the St. Lawrence?

A. Yes, the McIntosh grows well between Brockville and Cornwall, and in fact east and west of those points for a long distance.

*By Mr. Barr:*

Q. And Western Ontario would be all right?

A. Yes.

*By Mr. Smith (Stormont):*

Q. Do you consider the McIntosh the most profitable apple for the farmers in that district?

A. I do consider it so but I would like to qualify that by saying we have found the McIntosh apple to be self-sterile, that is, its own pollen will not fertilize the flowers properly. If a solid block of McIntosh trees are planted without any other varieties around, as I fear a number of fruit growers are now doing owing to its popularity, the crop will not be nearly so good, in fact it will be liable to be light.

*By Mr. Sexsmith:*

Q. The Spy, too?

A. The Spy is also. One reason why the Wealthy is such a heavy bearer is because it is self-fertile. The reason why the McIntosh is such a poor bearer is because it is more or less self-sterile.

## ERADICATION OF THE OYSTER SHELL BARK LOUSE.

*By the Chairman:*

Q. Are you doing anything for the eradication of the oyster shell bark louse?

A. Yes. Ten or eleven years ago the orchards at the farm were pretty badly infested with the pest and we tried some experiments to get rid of it. We found that by spraying the trees with lime wash we were able to eradicate most of it, but it is necessary to do the work in the autumn not in the spring. We found that with two applications of freshly slaked lime, one application being put on when the other became dry so as to coat the tree from top to bottom, the caustic nature of the lime cut away the covering which enclosed the eggs of the bark louse and loosened it from the tree and then during the winter the changes of temperature, the freezing and thawing, and then in the spring the rains and wind, simply cleaned the scales off the tree before the eggs hatched in the latter part of May. We found that worked very satisfactorily, but it has to be done in the fall, because, as I explained, it is a purely mechanical thing; simply loosening the scales on the trees by destroying the material which held them there.

*By Mr. Broder:*

Q. I had some trouble and I used a weak lime wash and soap mixed with water?

A. We tried that, but it had no effect. Did you find it effective?

Q. It did very well, but it was not a cure?

A. We have not found it satisfactory.

Q. We had the successful experience of one man who washed his orchards with soap suds two or three times during the summer?

A. That is a very good thing, but the lime wash we have found most satisfactory.

*By the Chairman:*

Q. Have you tried sulphur?

A. No, we have not tried sulphur ourselves. In Western Ontario they have tried sulphur for the bark louse, but it does not give as satisfactory results as we have had with the lime wash.

*By Mr. Broder:*

Q. It will spread rapidly in orchards?

A. Under some conditions it will spread rapidly but there are parasites of the bark louse that keep it down and sometimes after an infestation you will find that in a few years it is almost gone having been eaten into by these parasites. It is usually stunted trees in sod ground that become affected, although not always, and, therefore, it is wise to keep the orchards in good cultivation to prevent it.

Mr. BRODER.—It is just like a vigorous man being able to throw off disease.

The CHAIRMAN.—I am sure we are greatly indebted to Mr. Macoun for the able address and the interesting results of his experiments with which he has favoured us this morning. It shows the very wide field which is open for the development of the apple industry. The results of Mr. Macoun's experiments have been to me a revelation and I am sure that the work he is carrying on must tend to develop our apple industry, in a way that we have not heretofore anticipated, in the northern or cooler sections of country.

Having read over the foregoing transcript of my evidence, I testify the same to be correct.

W. T. MACOUN,  
*Horticulturist.*



## THE FRENCH CANADIAN HORSE

HOUSE OF COMMONS,  
COMMITTEE ROOM No. 34,  
WEDNESDAY, March 17, 1909.

The Select Standing Committee on Agriculture and Colonization met here today at 11 o'clock, Mr. Schell, chairman, presiding.

The CHAIRMAN.—We are this morning to hear an address from Mr. J. G. Rutherford, Veterinary Director General and Live Stock Commissioner, on 'The French Canadian Horse.'

### DESCRIPTION OF TYPICAL ANIMAL.

Dr. RUTHERFORD.—The French Canadian is described by those who knew him prior to the great variation in type which, owing to the introduction of other blood, has been brought about within the last thirty years, as an animal of Norman French descent, although of more or less mixed breeding, standing generally but little over fifteen hands high and weighing from nine to eleven hundred pounds. The head is broad and courageous looking, perhaps somewhat coarse, with the ears far apart, the neck thick, the frame stout, the breast full, the shoulders strong, even rather upright, the back rather long than short and sides inclined to flatness, the croup rather round or fleshy with quarters short and somewhat drooping, the muscles well let down and the tendons large, the feet tough and almost immune from disease. Mr. Barnard of Sherbrooke, Que., who perhaps knew the old breed of French Canadian horses as well as any one who has written of them, ascribes the shagginess or abundance of hair on the mane and tail and on the legs which are characteristics of the breed, to the severity of the climate, and suggests that under good cultivation these characteristics would probably disappear long before any change would be perceived in the innate excellencies and peculiarities of the breed.

The French Canadian horse is of no fixed colour and although a good mover with high and perhaps rather forced action, is not inclined to maintain great speed for any length of time although there have been, and are some remarkable exceptions to this rule.

Even though less given to style and showing perhaps less ambition than the Morgan and some of his other relatives, who it may be said in passing, benefited much from the strain of his blood which they undoubtedly acquired, the French Canadian was no whit inferior to any of them or perhaps to any horse of his weight, in strength and endurance. His hardiness and ability to thrive under the most adverse conditions were notable characteristics. Taking him altogether, he was a remarkable little horse, eminently suited for the needs of the habitant, well capable of performing the light agricultural work of the small Canadian farm under the old regime and equally well adapted to the roads of Quebec, which even to this day, especially during the winter season, deemed the employment of a light and active horse, capable of negotiating deep pitch holes and deeper snow drifts, which would bring to grief many animals of more weight and greater pretensions.

I have here in the Report of the Ontario Agricultural Commission of 1881 about the only decent picture of the French Canadian horse which I have been able to find

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anywhere. I think it might be passed around among the members of the committee. There is nothing in the book that is germane to the subject except the picture.

While, as above stated, some allege that many different strains were commingled to produce him, the fact remains undisputed that the basic blood of the breed was of the best then available. The following quotation from a recent able report by Dr. J. A. Couture contains facts of great interest:—

‘All of these animals were descended from those sent out from France in the early days of the Colony. Louis XIV who liked to do things in a grand way, had instructed his Minister Colbert, himself very eager to see the Colony flourish, to send here only the best animals of the kingdom.

‘Thus on the 16th of July 1655 there were sent to us twenty mares and two stallions from the Royal stables, (unfortunately eight of the mares died during the voyage). Others were sent us in 1667, including a stallion and two mares for the Ursulines. In 1670 eleven mares and a stallion were landed in Quebec; other shipments followed.’

‘These horses which remained the King’s property for three years, were distributed among the gentlemen of the country who had done most to promote colonization and cultivation.’

In these early days the symmetry and quality which characterise our modern improved breeds were practically unknown so that it is perhaps scarcely fair to attribute the faults or rather peculiarities of conformation, which in our day and that of our fathers have been characteristic of the breed, to want of care or judgment in selection on the part of their breeders, although it is altogether likely that these also had their effect in intensifying the marked peculiarities already mentioned.

There can be no doubt, in view of the evidence adduced that the hardihood and endurance of the French Canadian horse were derived from the same source as the like attributes in the Thoroughbred, namely the Eastern blood, Arab, Turk or Barb, to which all our modern breeds of light horses owe their best qualities.

#### IDENTITY OF THE BREED ALMOST DESTROYED.

From the above description, it must I think be admitted, that the French Canadian breed of horses was well worthy of preservation and that with care in selection, the development of good, the elimination of bad qualities, and the general improvement which might reasonably have been expected under present day conditions, it would, had no adverse circumstances intervened, have been by this time an exceedingly valuable addition to the light horse stock of the Dominion. As has been well pointed out on more than one occasion by Dr. Couture, to whom perhaps, more than to any other man in Quebec is due the present revival of the French Canadian horse, as well as that of the French Canadian cow, a very grave mistake was made thirty years ago by well meaning but short sighted live stock reformers, who, by the introduction of stallions of many different breeds, succeeded in almost entirely destroying the identity of the native strain, and substituting for it the nondescript mongrel now far too frequently found in the stables of our French Canadian fellow citizens.

There are many of us in this room today, myself among the number, though I have been but little over thirty years in Canada, who will recollect the French Canadian horse as he was before the introduction of these foreign sires, and it will be generally admitted that, though now he is seldom seen, he was an infinitely more attractive and valuable animal than the great majority of those who have usurped his place. Every credit is therefore due to those who, actuated by no mercenary but by patriotic motives, have been endeavouring to preserve and perpetuate this ancient and historic breed, and although some mistakes and errors of judgment have undoubtedly been committed, I think, keeping in mind the object they had in view, we should be ‘to their faults a little blind and to their virtues very kind.’

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## ESTABLISHMENT OF FRENCH CANADIAN STUD BOOK.

The first step towards the preservation of the original strain was taken in 1885 when as the result of an agitation commenced by Dr. Couture, the Honourable Dr. Ross, then Prime Minister of Quebec, established among other records a French Canadian Stud Book, this being formally opened on December 16, 1886. Its management, as well as that of the French Canadian Herd Book, was entrusted to a Commission composed of M. J. A. Lesage, the Assistant Commissioner of Agriculture and four other gentlemen, namely Dr. J. A. Couture, and Messrs. Casavant, Barnard and McEachran.

## FORMATION OF FRENCH CANADIAN HORSE BREEDER'S ASSOCIATION.

The work made but little progress until 1895 when the French Canadian Horse Breeders' Association was formed and the work of inspection inaugurated. Between 1895 and 1905, eighteen hundred and one (1801) animals were registered, of which six hundred and twenty-eight (628) were males and eleven hundred and seventy-three (1173) were females. The work progressed in spite of difficulties and drawbacks with more or less success until the year 1904, when as the result of the movement for the establishment of the National Records, the various live stock associations of Quebec surrendered, to some extent, their individuality, and became part and parcel of the new system.

It was not however until after I assumed office as Live Stock Commissioner, in July, 1906, that this new chapter in the history of the Quebec records was really opened. I found on taking charge that our French Canadian breeders, although nearly two years had elapsed, were still to a large extent in outer darkness, and that though a majority of the swine and some few sheep had been recorded, nothing whatever had been done in the way of registering either horses or cattle, while an overwhelming majority of the sheep of Quebec had also been, through one technicality or another, debarred from participating in the benefits of the new order of things. As can readily be imagined, considerable dissatisfaction existed over this state of affairs, inasmuch as a large number of breeders had two seasons' produce unregistered, while the outlook from their point of view was anything but reassuring. It took but a short time to adjust matters as far as the French Canadian Herd Book was concerned and registration of cattle was soon in progress. The sheep question was much more difficult owing to the fact that the standard of registration in Quebec differed considerably from that adopted by the breeders of Ontario, who were naturally, from their business relations, in close touch with the various American Records. The sheep difficulties were however eventually overcome and although a few flocks, either palpably underbred or the registration of whose ancestors had been neglected, were disqualified, the majority were found eligible for registration, and the situation being loyally accepted, the irritation disappeared.

An examination of the record maintained by the French Canadian Horse Breeders' Association revealed the fact that although the organization had apparently started well and had during the first years of its existence maintained a fairly uniform and strict standard of registration, the same could scarcely be said with justice of the years immediately preceding its merger in the National Records. It was evident that more or less carelessness had occurred in the inspection of horses and their acceptance for registration, the result being that many of the animals entered in the Stud Book were anything but eligible either from the view point of genealogy or from that of conformation. Those facts having been brought to the attention of the Minister, steps were immediately taken under his authority with a view of bringing about a more satisfactory state of affairs. The necessity for a change in the existing standard and a general stiffening up of the Stud Book were first brought to the attention of the Association by means of correspondence and subsequently at the annual meeting of the Association held at Montreal in February, 1907, where the Minister discussed the whole



question with the officers and members. It was then decided to establish a new record, having a fixed and definite standard of qualification and entry, which could only be accorded to such animals as were found eligible after inspection by a special Commission composed of four gentlemen familiar with the breed, two of whom were to represent the Association and two the Department of Agriculture. Those representing the Association were Dr. Couture of Quebec, and M. Arsene Denis of St. Nobert, while the Minister named on behalf of the Department, Mr. Robert Ness of Howick, and Mr. Louis Lavallee, of St. Guillaume d'Upton. Dr. J. H. Vigneau of Three Rivers, one of the official inspectors of the Department was delegated to examine the animals for hereditary unsoundness and also to act as general secretary to the Commission.

#### STANDARD OF REGISTRATION.

The standard agreed upon is as nearly as possible that of the old French Canadian horse which I have already roughly described. Stallions must not exceed in height 15.3 and mares 15.2. The weight preferred is for stallions between eleven hundred and thirteen hundred and fifty pounds, for mares from ten hundred and fifty to twelve hundred and fifty pounds.

Up to date 2,528 horses have been presented to the Commission for inspection, of which 470 had been registered in the old book. Of these, nine hundred and sixty-nine, (134 males and 835 females) of which one hundred and twenty-five had been previously registered, were accepted for entry in the new record. It will thus be seen that 345 animals which had been in the old stud book were refused entry to the new.

The understanding reached at the annual meeting in 1907 was that registration, except for horses the progeny of unregistered sires or unregistered dams not sufficiently matured to allow the Commission to form a correct opinion as to the height, weight or conformation, was to cease on December 31st, 1908, but although every effort was made to cover the ground before that date there still remain a few horses to be examined in Bonaventure, Gaspé, and Isle aux Coudres, as also a number in the provinces of Ontario and four or five in Manitoba and Alberta. Those animals as also the youngsters already referred to, will be inspected during the current year, after which the stud book will be definitely closed unless it is decided to admit a few selected stallions of other light breeds with a view to improving and fixing the type. This step however is one which will only be taken, if at all, with the full approval and consent of the members of the Association.

Meanwhile, as a further encouragement to the breed, the Minister, through the Live Stock Branch of his Department, has authorized the offering of prizes for stallions and mares registered in the new record, and as a result of this action there appeared last year at St. Johns, Quebec, over one hundred and twenty high class representatives of the breed. The exhibition on this occasion was most striking and one which evoked much enthusiasm among the spectators.

#### DIFFICULTY LIKELY IN RESUSCITATION OF OLD FRENCH CANADIAN HORSE.

It may be said that owing to the lack of line breeding and the diversity of type in the foundation stock now available for registration, considerable difficulty is likely to be experienced in resuscitating the old French Canadian horse. This is to some extent true and it must be admitted that the task of bringing back the breed in its original purity and with all its original characteristics, is perhaps somewhat beyond the compass of the present organization. On the other hand the history of the development of most of our modern breeds of horses, as well as of other animals, indicates clearly that it is possible by intelligent selection and careful mating to establish in a comparatively few generations a fixed type, capable as a rule of perpetuating itself, although of course, subject from time to time to atavistic variations.



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There is thus, heretofore, every ground for the hope that the French Canadian horse which we are now trying to establish, will be, if not absolutely identical with his early progenitors, at least as good and possibly, although our friends from Quebec may have difficulty in believing it, very much better.

*By Mr. Owen:*

Q. Was there not at one time a horse called the St. Lawrence horse in the province of Quebec?

A. Yes.

Q. It was mated with the French Canadian?

A. Yes.

Q. Are those horses extinct now?

A. Yes, I fancy so. There are a great many of them in the Morgan book you know.

*By Mr. Currie (North Simcoe):*

Q. Is there not a family known as the St. Hilaire?

A. Yes.

Q. Black and a little heavier than the French Canadian horse?

A. Those are practically extinct.

## VALUE OF FRENCH CANADIAN HORSE IN CROSSING WITH OTHER BREEDS.

*By Mr. Miller:*

Q. I would like to ask some questions as to the value of the French Canadian horse in crossing with other breeds. First, what would you think of the value of a French Canadian mare to be bred to a standard bred sire. Second, what would be the advisability and what would be the result of breeding from a French Canadian male pure bred sire, and the third place, breeding from an Arab sire?

A. The French Canadian mare and the French Canadian horse have already demonstrated, with reference to the American standard bred trotter, the excellence of their qualities. Some of the best and most fashionable strains of the American standard bred trotter trace directly back to the French Canadian horse. The same is also true of the Morgan, and I think that while perhaps the theory of extreme speed on which the breeding of the American standard bred has been perhaps too much based might not be strengthened by the introduction of French Canadian blood, the endurance, the courage, the symmetry and the soundness, as regards the legs and feet of the trotter would be greatly increased. With reference to the use of the thoroughbred horse I can scarcely speak without prejudice. I myself am a very strong and devout believer in the advantage of thoroughbred blood judiciously infused into all our breeds of light legged horses. I look upon a thoroughbred, as in fact I hinted in the paper I have just read, as having the best of all the good qualities of all the light legged horses that we know anything about at the present time, and, therefore, I would think a judicious mixture of thoroughbred blood would be beneficial to the French Canadian. Of course, the thoroughbred as a race horse would not be benefited by the introduction of French Canadian blood but on the other hand the opposite would be true.

Q. What would you be likely to get with that cross, good saddle horses and hacks?

A. Yes, I think so. The thoroughbred horse, provided he is good, bred on proper lines and capable of transmitting his characteristics, will get a good horse from almost any kind of light legged mare. The Arab I don't know quite so much about. The Arab is a very symmetrical little horse and improves the conformation of almost any breed with which he is crossed; but he is deficient in size and he is not at the present day—although he is the progenitor of the English race horse,—nearly as fast, has not

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as much endurance and has not nearly as many good qualities, as his descendant, the thoroughbred. So I would be rather chary of recommending the introduction of Arab blood to any of our light legged breeds although I know it is advocated by a great many people.

#### OBJECT IN LIMITING WEIGHT OF FRENCH CANADIAN HORSES FOR REGISTRATION.

*By Mr. Wright:*

Q. Why do you limit the registration of French Canadian horses to a certain weight?

A. The custom is followed not only in regard to French Canadian horses, but to other breeds as well. The Hackney horse in England is limited in the same way and it is about the same size. It is to discourage the almost universal tendency on the part of breeders to increase the size of horses. You keep on increasing the size until you get a horse which is altogether different from what you started out to get. Then you lose your uniformity of type and you get away from the original breed entirely. That is the case with the Hackney. A large number of Hackney breeders have been breeding too big. Their standard is 15.3 for stallions and when they get a horse over 16 hands, 16.1 and sometimes up to 16.2, it is not a Hackney at all but a great big coach horse entirely different from what the breed originally was supposed to be. I have an illustration here which will show the necessity of doing what the Department and the Association have been doing in Quebec in the way of stiffening up the Stud Book and looking after our registration and this also has some bearing on the size. I happened to be up the Gatineau one Sunday afternoon a couple of years ago and I found this (holding a poster up to view.) Having been brought up in Scotland I did not take it away without leave but I asked the owner of the building on which it was posted for it. He gave it to me and I brought it home with even more pride than he displayed in making me a present of it. The pedigree of the horse described in this poster is very instructive

#### "FRENCH CANADIAN STALLION KING JOHN.

##### KING JOHN.

'Is dapple grey in color with heavy mane 4 feet long and good tail. Stands fifteen and a half hands high, weighs about fifteen hundred pounds, good action. His sire was bred by John Montgomery Campstownend, Twynholm, Kircudbright, Scotland. Sire Tinwald (1544) vol. 3. Dam Lovely II (1500) vol. 5 sire of Dam Monkland Farmer (543) vol. I; grand dam Lovely of Banks (266) vol. II; sire of grand dam, Lockfergus, Champion (449) vol. I; Great Grand Dam, Solly by Lothian Tam 506."

I don't think we could get a better illustration than this bill affords of the need of doing something to try and preserve the purity of our French Canadian horses.

#### UTILITY OF THE FRENCH CANADIAN HORSE.

*By Mr. Currie (North Simcoe):*

Q. What type of utility do you consider the French Canadian horse would fill, what would be the particular utility of this type of horse apart altogether from the consideration of breeding to a type?

A. That is a very important question and one which is perhaps a little difficult to answer. I think that he would make an excellent roadster. He was always a strong, thick, stout horse and he would, therefore, in my opinion be a very good horse for general purpose use on small farms.

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*By Mr. Staples:*

Q. Why limit it to small farms, Doctor?

A. Because on the larger farms they generally prefer a larger horse, one with more weight, as there is heavier and more work to be done. The French Canadian horse would have in my opinion more endurance, more toughness than the Hackney horse. The Hackney horse while a very showy and very handsome animal with great conformation as bred at the present day, in too many instances is deficient in staying power. The old French Canadian strain if properly adjusted and assimilated with the blood of other breeds would give that staying power which the Hackney horse to some extent lacks. We would also have a better conformation than prevails amongst the American standard breeds and we would have a much handsomer horse. Very fortunately now they are beginning to pay a little attention to the breeding but up to the present time they have devoted their attention almost entirely to the production of speed.

Mr. CURRIE.—Too much.

Dr. RUTHERFORD.—Conformation, soundness and substance have been lost sight of. All these things should be carefully looked for in this breed which we are trying to reinstate in the province of Quebec. The question you asked is perhaps the most important one that could be submitted here to-day, viz., what after all is the object in trying to bring back this breed or improve upon it?

*By Hon. Mr. Douglas:*

Q. Would it not be a first class horse for the delivery of goods in city streets?

A. That is a rather plebeian occupation which is generally filled by the inferior specimens. I was speaking only of the best specimens bred.

*By Mr. Currie (North Simcoe)*

Q. What would you say as to the employment of the French Canadian horse for military purposes, for instance for artillery?

A. He would be too light a horse almost for artillery purposes. He might do very well for what they call horse artillery but for the ordinary field guns he would be a little on the light side. However, these horses make very useful remounts for cavalry purposes, especially with a little admixture of thoroughbred. There is no reason why this horse should not be bred and extensively used for cavalry purposes. They would also make good mounted infantry ponies.

*By Mr. Wright:*

Q. Is the French Canadian horse used very much in the other provinces?

A. We have not any horse in the other provinces which is very much like the French Canadian. He is perhaps nearer to a cross between a thoroughbred and a standard bred than any other but even those would be of different blood. They would be higher and perhaps leggier, less blocky and not so stout.

*By Mr. Meigs:*

Q. Could you give us the pedigree of the French Canadian horse?

A. I have just given it to you.

*By Mr. Thornton:*

Q. Is the French Canadian horse a good feeder?

A. Yes, a very good feeder, very hearty. In fact history records that in the early days the French Canadians bred so many horses that they ate up all the provender in the province and there was nothing left for the cattle and sheep.

Q. He would not take so much feed as a heavy horse?

A. No, nothing like it.

*By Mr. Smith (Middlesex)*

Q. The French Canadian horse is the best general purpose horse raised in Canada?

A. Yes, I think so.

Q. He fills that position to a very much greater extent than any other?

A. Yes.

*By Mr. Thornton:*

Q. On our sandy land he would be the most profitable horse for the average farmer?

A. That is for the actual work of the farm.

Q. Yes?

A. Of course, the average farmer nowadays is figuring on selling a colt now and then and many of them for that reason prefer to breed to heavier horses.

Q. Yes, but for the farm work itself?

A. For the work itself I think he is admirably adapted especially on such soil as you mentioned.

#### SPEED OF THE FRENCH CANADIAN HORSE.

*By Mr. Miller:*

Q. Is the French Canadian horse speedy enough as an ordinary driver?

A. Yes, he is a horse that will go along very nicely. As a rule he has not got extreme speed and even when he has a good deal of speed he does not care to keep it up for any great distance; he prefers a reasonable gait. He will go on all day but does not care to keep up extreme speed. I think perhaps that is owing to the fact that his action, as I said in my address, is rather forced. He is often a high stepper but rather forces his action.

Hon. Mr. FISHER.—I would like to say that I have frequently known the French Canadian horse to go from 12 to 14 miles an hour for 2 or 3 hours in a day without any trouble.

*By Mr. Currie (North Simcoe):*

Q. The reason I asked you about the utility of the French Canadian horse for military purposes was that I saw on one occasion several teams of French Canadian horses that the Royal Canadian Artillery had. They were heavier horses than those outlined in your address. I never saw such magnificent teams in my life. I understand these horses went all through the South African war and came back home safe and sound?

A. Yes.

Q. I don't know whether you have heard or know anything about that. The horses I speak of weighed possibly from 1,450 to 1,500 pounds, they were a little heavier than the type you mentioned. These horses are very handy.

A. Probably they had a cross of French Canadian blood.

Q. The horses I speak of were black with a curly mane and tail?

A. They would be a cross with French Canadian blood. A great many of the horses that we know now in Canada as French Canadians are really a cross between either the Clydesdale or the Percheron and the old French Canadian blood.

Mr. OWEN.—Judging from the description given by the Hon. Minister of Agriculture the French Canadian horse must possess quite a bit of speed. I am a great lover of horses and when I get a hold of a horse that can travel 14 miles an hour I



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consider him a crackerjack as a roadster. However, such horses are very few and far between.

*By Mr. Hunt:*

Q. How are these horses registered? Are they put as being of a certain breed?

A. A good deal of attention is paid to the breeding, to the genealogy, and the owners who present them for registration are questioned very closely as to their breeding. But it is quite impossible to depend entirely upon the spoken statements of these men, and it being impossible to trace back the breeding, or verify it in any way, as a matter of fact they are largely accepted on their conformation alone.

*By Mr. Sexsmith:*

Q. Are there any of these thoroughbred stallions in the province of Ontario now?

A. You mean the pure bred French Canadian stallions? There are a few but they have not been re-inspected yet. We intend to have another inspection next month and no doubt a large proportion of them will be thrown out of the new stud book. I would not like to make any promise as to any of these horses now in the province of Ontario being accepted by the members of the Commission.

*By Mr. Wright:*

Q. Is there any such system in regard to the other breeds? Generally in the registration of live stock there are the pure bred sire and the pure bred dam to qualify for registration in the stud book without any inspection?

Hon. Mr. FISHER.—I think every other book is closed for foundation stock. I do not think there is any other book except the French Canadian book which is still open for what is called foundation stock. Where the books are closed for foundation stock it is only the progeny of the registered animals that can be registered.

Mr. WRIGHT.—But can all the progeny be registered, no matter what they may be?

## GOVERNMENT INSPECTION.

Hon. Mr. FISHER.—Oh, yes, there is no system of inspection by the government; that would be a matter for the association to discuss. This is a case where the old French Canadian book maintained in the province of Quebec was examined and before we could, on the part of the Department of Agriculture, put our stamp on the animals registered, or rather on the certificates which we now do in the case of the national records of Canada, we felt that we ought to go over the animals and reconsider them and for that purpose this system of inspection was established. In making that inspection there were a large number of animals which the owners had not registered in the old stud-book, but which they still claimed were French Canadian horses of the best stamp. We, therefore, advertised that any body that would bring up horses for examination by this commission would be entitled to that examination, and, if they passed, to registration. That was to be done for a certain limited period and when that period is passed the books will be closed and no new blood will be permitted entry. The suggestion has been made that the breed would be benefited, and perhaps made better in every respect, if a system of allowing the infusion of some out-crosses of selected stallions might be permitted. That is a subject which is now under consideration by the French Canadian Horse Breeders' Association and the officers of my department. It has its advantages but it also has its dangers; we have not yet come to a conclusion in the matter.

Mr. CURRIE (North Simcoe).—The Standard Bred Books allow an infusion of the thoroughbred.

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Hon. Mr. FISHER.—Well the Standard Bred Books as I understand them are a little different from any other horse books.

Mr. CURRIE (North Simcoe).—Does not the Hackney permit of the thoroughbred strain?

Hon. Mr. FISHER.—I am not certain, but in the Standard Bred a record of performances and performances of progeny will entitle an animal to be registered, it does not matter what its breeding is. I don't think there is any other breed that allows that kind of thing and for that reason the Standard Bred Book is a little different from any other register. Some other registers, I think the hackneys, allow—

Dr. RUTHERFORD.—Not now.

Hon. Mr. FISHER.—Not now? They used to allow a certain infusion of thoroughbred.

Dr. RUTHERFORD.—In the case of Yorkshire coach horses.

Hon. Mr. FISHER.—Some of the coaching breeds I think have allowed the same. If such a permission is given in regard to the French Canadian horses we will have to consider carefully the conditions, and the breeds which would be permitted to be infused, with the greatest care. I may say in regard to the French Canadian horse that I have ever since I was a boy been connected with horses. The first animal I was ever put on in my life was a French Canadian pony which my father had and drove for many years. That pony could go his 12 to 14 miles an hour at any time. My father was a doctor and used to drive from morning until night and many a time I have driven him 12 miles an hour.

Mr. WRIGHT (Muskoka).—What were his sire and dam?

Hon. Mr. FISHER.—I cannot tell you what his sire and dam were. In the province of Quebec they had then an immense quantity of what they called pure French Canadian stock, and this pony had all the characteristics of the breed. He was an almost exact image of the horse which Dr. Rutherford described. He was a deep, dark mahogany brown with a mane and tail that swept the ground almost.

Mr. WRIGHT (Muskoka).—How much did he weigh?

Hon. Mr. FISHER.—He was from 14 to 15 hands in height and would weigh probably about 900 pounds. There used to be hundreds of such horses around Montreal driven by the habitants in their charettes, drawing heavy loads and doing the general work of the farm. There was another class that I remember very well too, a much larger type that we used to call St. Lawrence. They were generally black, big, proud horses, holding their heads high, with tremendous forelocks, manes and tails, very broad chests, of course, strong animals. Those animals you never see today around the island of Montreal; they are practically destroyed.

Mr. CURRIE (North Simcoe).—Is there is any possibility of reviving the breed?

Hon. Mr. FISHER.—That is the kind of work we are trying to do.

Mr. HODGINS.—Where have you discovered the type of the true French Canadian horse?

Hon. Mr. FISHER.—The ones we have examined and registered so far have been chiefly on the north shore of the St. Lawrence and around St. Hyacinthe and St. Johns and there are quite a few down below Quebec on both sides of the river, but the type has been practically destroyed by the infusion of other blood in an unscientific and reckless and irregular way.

Mr. CURRIE (North Simcoe).—Have you any hope of reviving the St. Lawrence type?

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Hon. Mr. FISHER.—The present stallions as seen at the horse shows are larger than the old type that I was first describing, the French Canadian pony. The St. Lawrence horses used to weigh as high as 1,300 pounds, 1,200 I think was their average. The present stallions that we see at exhibitions run I think about 1,200 and some as high as 1,300.

Dr. RUTHERFORD.—1,350.

## EXHIBITION AT ST. JOHNS, P.Q.

Hon. Mr. FISHER.—I don't know whether you gentlemen have visited any recent horse shows in the province of Quebec. The last exhibit at St. Johns was a magnificent one. There were over 100 horses and they were really very fine animals. The gentleman who went down from Bowmanville to judge them has been handling French Canadian horses for many years, Mr. Pollard, who is perhaps known to some of you as a horseman. He was perfectly astonished and delighted with the exhibit, and he said that it was a very difficult task indeed to award the prizes, there were so many thoroughly good horses.

Mr. SMITH (North Middlesex).—I will only detain you a moment, but I would like to give a little testimony to the good qualities of the French Canadian breed of horses and as to the advisability of re-establishing that breed if it be possible. There are quite a number of these horses that I have had the pleasure of handling personally, and I know of the good qualities that they possess. I have in mind one particular team which was typical of the large number that I was conversant with. This team weighed 1,250 pounds each as nearly as possible. They were very well matched. They were black and of the same type as that shown in the illustration which was handed around, except perhaps they were a little chunkier. Unlike the characteristics that Dr. Rutherford has spoken of, viz., their desire to go a little slower than required, they would travel up to the 10 miles an hour without any urging whatever and if urged would make 12 miles an hour and continue it for a couple of hours or more; I have seen them do it. On a 10 mile gait they would continue for three or four hours without any trouble whatever. Besides that they would walk with a good ordinary sized load at about 4 miles an hour. I think that is one of the best qualities you could have in a farm horse, and the French Canadian is an ideal farmers' horse. Besides that I have seen the same team matched against other heavier horses, horses that would weigh probably 1,600 or 1,700 lb. The French Canadian horses would draw a heavier load than heavier horses, not because they had the weight, but simply in the starting the heavier animals would get down to it and by sheer force would be able to move while the smaller team by quicker action would start. Once started the greatest trouble was overcome. That is one of the characteristics I have found in these French Canadian horses and I fancy that we have not yet developed any breed, or mixture of breeds, of horses that would come up to the French Canadian as a general purposes horse. It is perhaps the most valuable horse that the farmer could have either in Quebec, Ontario or the West. Doubtless a heavier horse is more profitable to raise because you can sell it at a larger price.

The CHAIRMAN.—I can add a word of appreciation on the same lines that Mr. Smith has referred to. When quite a boy our folks got possession of a French Canadian, or what was said to be a French Canadian, pony, weighing one thousand and a half pounds. It was quite black and a beautiful type of horse, well quartered, good clean legs, and could do on the road a mile in four minutes. This pony would go at the rate of 12 miles an hour for one, two, three or four hours; in fact pretty nearly for the whole day, and I have driven him 30 or 40 miles and he would come home just as bright as when he left. We had this pony from the time that he was 4 years



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old until he died. He was admired wherever he went. Whether it was in the city or the country people would admire him and say, 'That is a pretty horse, where did you get it?' He was raised by a farmer in the neighbourhood, I don't know where the mother was obtained, but he was just typical of what I understand the French Canadian horses to be; one of the handsomest and most useful horses that we ever had upon our farm, a beautiful animal and useful in every way. I think he must have been an ideal French Canadian horse.

## TELEGONY.

*By Mr. Owen:*

Q. I wish to ask Dr. Rutherford to explain this fact. I was told it by a Presbyterian minister. He owned a mare of the light harness type. He bred her to a registered pacing stallion. She lost a colt about 2 months before her time. A few months after that he bred her to one of the best pure bred Hackneys, and the result was a pacing colt of the light harness type. Can you explain that?

A. I would ask you before endeavouring to answer the question whether the service by the pacing stallion was the first service that the mare had ever had?

Q. Yes, I think it was.

A. That is what is known as telegony and it is one of the most disputatious subjects among breeders at the present day. It is claimed by many breeders and many men of experience, and I myself am a strong believer in the theory, that an animal bred for the first time is liable ever afterwards to show in her progeny some of the characteristics of the first male with which she has had connection. Prof. Cossar Ewart, who is a brother of the Chief Architect of the Public Works Department here, has gone most exhaustively into the subject and has demonstrated to his own entire satisfaction and to that of those who believe with him, that no such thing exists. I have, however, in my own personal experience, which has now unfortunately extended over a great many years, seen so many instances of it that it will take a great deal more than proofs which Prof. Ewart has produced to convince me that such instances as that which you describe are not quite in the natural order of things.

## DISPOSITION OF THE FRENCH CANADIAN HORSE.

Hon. Mr. FISHER.—There is one thing more I would like to say about the French Canadian horse—it has not been touched on—and that is as to his disposition. The horse as a rule is the most kindly, gentle and docile horse I have ever had the opportunity of handling, and he is also one of the truest to his work; he never gives out, it does not matter what he is at, if it is on the road he travels along forever, and if he has a load behind him he will tug at it until he moves it. He never baulks and children can handle him with the greatest safety. In every way he is docile and kindly.

*By Mr. Currie (North Simcoe):*

Q. What result would you get by crossing the French Canadian mare with a Clydesdale horse such as you referred to?

A. King John, I think, is perhaps more of a Percheron than a Clydesdale, from his picture. The horse, himself, King John, was a very handsome horse, a horse of great symmetry and conformation. I think myself that in the first cross you would get probably a very useful animal, off the Clydesdale, a very good horse, but then you could not go any farther with that cross; you would simply have to stop there.

Q. The reason I ask you is this: the farmers of Western Ontario, especially in the district I represent, will only breed to a thoroughbred or a close well bred



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Clydesdale either for work or for the coach, and they say these are the only two types of horses that are of any use if you want to sell them. When you ask them to introduce any new blood they are very chary of it unless they think they can improve along these lines. I would like to know whether that type of horse would assist them in that direction?

A. I do not think it would.

Mr. MILLER.—Some reference has been made to the exhibition of French Canadian horses held last year. I would like to know when and where they purpose holding their exhibition this year?

A. The exhibition will be held during the month of September at St. Hyacinthe. It was held in St. Johns last year, but this year, according to the present arrangement, it will be held at St. Hyacinthe.

*By Mr. Currie (North Simcoe):*

Q. Are these horses exhibited at Toronto?

A. No, I do not think so.

Q. Why?

A. There is no class for them.

Q. There is no class for them?

A. No.

Q. Could not a class be got for them?

A. That, of course, would be for the people of Toronto to say.

*By Mr. Hodgins:*

Q. About what is the value of these French Canadian stallions?

A. Well, there are comparatively few good ones for sale. The highest price that I have heard of was \$1,500.

Q. About the same as the Clydesdales, I suppose?

Q. Yes. Really good ones are very difficult to get because people do not like to part with them.

*By Mr. Cash:*

Q. Are there many of such horses?

A. We have registered in the present stud book 969—the majority of them of course are mares.

Mr. MILLER.—I think, Mr. Chairman, this is about the best address we have heard before this Committee and I move a very hearty vote of thanks to Dr. Rutherford.

Having read over the foregoing transcript of my evidence, I certify the same to be correct.

J. G. RUTHERFORD,  
*Veterinary Director General and Live Stock Commissioner.*



## DAIRYING AND COLD STORAGE

HOUSE OF COMMONS,

COMMITTEE ROOM No. 34,

WEDNESDAY, March 24, 1909.

The Select Standing Committee on Agriculture and Colonization met at 11 o'clock a.m., Mr. Schell, the Chairman, presiding.

The CHAIRMAN.—We are pleased to have Mr. Ruddick with us this morning. His work has been of such a nature that you are all acquainted with it as well as with Mr. Ruddick himself. Therefore, that gentleman needs no introduction from me and I have much pleasure in calling upon him to address you.

Mr. RUDDICK.—Mr. Chairman and Gentlemen,—I am pleased to meet the Agricultural Committee of the new parliament to give some information concerning the work of the Dairy and Cold Storage Branch of the Department of Agriculture, over which I have charge—something about what we do and how we are trying to do it. It seems to me that is a fitting subject to discuss, especially in the case of a new committee and a new parliament.

I would like to refer briefly to the origin of this branch. It dates back to February 1, 1890, when Prof. James W. Robertson was appointed Dairy Commissioner and Agriculturist to the Experimental Farm. At the same time, Mr. J. C. Chapais, who resides at St. Denis, Que., was appointed Assistant Dairy Commissioner, and he still fills that position. Beginning with the spring of 1891, a staff of experts was appointed to assist Professor Robertson in carrying on the work in which he was engaged at that time. I believe I have the honour of being the first man appointed to a position on the staff of the Dairy Commissioner, on April 6, 1891. The staff was increased from time to time as the work expanded, and in 1899 Mr. F. W. Hodson was appointed Live Stock Commissioner under the Commissioner of Agriculture and Dairying, as Professor Robertson was then called, to supervise the work in that extension of the branch. In 1901 the work of the branch was divided into the divisions of 'Dairying,' 'Live Stock,' 'Extension of Markets,' and 'Cold Storage.' Later on the 'Fruit,' 'Seed,' and Poultry divisions were added to the other divisions of the branch. Then, when Dr. Robertson resigned on December 31, 1904, there was some re-organization. The live stock and poultry divisions were made into a separate branch, known as the Live Stock Branch, and the seed division was also made a branch. Then the divisions of dairying, cold storage, fruit and extension of markets remained as the Dairy Branch, as it was called then, and the minister did me the honour to appoint me Dairy Commissioner at that time. So that was the beginning or the origin of the branch as it exists to-day, except that the designation of the branch was changed to that of the Dairy and Cold Storage Branch, at the time of the passing of the Cold Storage Act.

*By Mr. Armstrong:*

Q. Before you leave that, might I ask a question as to whether you think it wise to continue all these different branches under the one man who is, like yourself, for instance, supposed to be devoting all his time to dairy work, or the bulk of it. Can

he be expected to know all about fruit and other different branches, and be able to present his case before the minister as he otherwise would do if he was directly interested in the one branch in particular?

A. You are asking me now in regard to a question of policy, as to which I do not think I am quite competent to reply. But I think I might, if you will allow me, correct you on one point. You say that I am supposed to devote all my time to dairying. I think I am safe in saying that I devote very much less time to dairying than I do to the other divisions of work. If you will permit me to go on, I think I shall be able to show you that I give a great deal more time to other divisions of work than I do to dairying.

*By Mr. Owen:*

Q. Do I understand that you claim to be thoroughly up in the growing of fruit or simply the care and shipping of it?

A. I don't claim to be an expert in horticulture. We don't deal with that phase of the industry at all in our work.

Q. It is the care of fruits?

A. It is the transportation and the commercial end of the fruit industry that we deal with. The horticultural work is carried on at the Experimental Farm.

#### WORK OF THE DAIRY DIVISION.

Now, if I may be allowed to continue and discuss the work of the branches along the lines on which I propose, I would take it up under the head of these four divisions, beginning with the dairy division, because it is the oldest division in the branch. I was fortunate enough a year or two ago to secure the appointment by the minister of one of the best known dairy experts in Canada, Mr. George H. Barr, who is the chief expert in that division, and who takes charge of the detail work and carries it on in consultation with me.

*By Mr. Wilson (Lennox and Addington):*

Q. How long since he was appointed?

A. About two years ago. He was formerly chief dairy instructor in western Ontario and Superintendent of the Dairy School at Strathroy. He is one of the best known dairy experts in Canada, and we were very fortunate to secure his services. Now, in regard to the work carried on by that division. Last summer Mr. Barr was assigned to some experimental work in the county of Lanark. We secured the use of part of a cheese factory and conducted experiments in the handling of milk on the farm for the manufacture of cheese. It would not be interesting to the committee for me to go into any details of that work, but I am glad to be able to say that it has practically produced a revolution in the handling of milk on the farms for the manufacture of cheese. I do not know any work that has ever been presented to the dairy conventions in all my experience of over twenty-five years which has been so satisfactory, and has been so generally accepted as the results of these experiments conducted last summer. I am glad to be able to say that it has simplified the work of caring for milk, for cheesemaking, on the farm, and it has taught the patrons of factories how to handle the milk so that it will produce more cheese and better cheese.

#### COW-TESTING ASSOCIATIONS.

Probably the most interesting, and certainly the most extensive, work which the dairy division is carrying on at present is the organization of cow-testing associations and the encouragement of the testing of individual cows, with the object of improv-



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ing the production of the dairy herds in Canada. There is much need for that improvement. The provincial authorities in Ontario took a census last year, getting statistics from the secretaries of cheese factories, and they found that the average quantity of milk delivered at the cheese factories in eastern Ontario during the season of 1908 was only a little over 2,700 pounds of milk per cow. And yet the man who won the dairy herd competition last year in western Ontario delivered over 8,000 pounds of milk per cow during the season, during the period that the cheese factory was in operation, the same period during which the other records were taken. Now, that herd was probably one of the best herds, but it shows the possibilities that lie in this direction.

*By Mr. Wilson (Lennox and Addington):*

Q. The large yield you spoke of was more than double the other, was it not?

A. More than double.

*By Mr. Armstrong:*

Q. How many of these associations are there in Ontario?

A. At present there are 94 associations and 10 smaller groups of three or four farmers, who are joined together for the same purpose, and then there are a large number of individuals who apply to us for the necessary forms for keeping the records and which we supply without cost. We encourage that sort of thing as much as possible. The individual work by farmers here and there throughout the country is growing very fast. Every mail I get a large number of applications for these forms from individuals so that they may take up the work. Mr. C. F. Whitley is doing valuable work in charge of these records.

*By Mr. Broder:*

Q. It was in 1908 that the record was made in the yield of milk in Ontario?

A. Yes.

Q. It was a season of great drought?

A. Yes. I should have qualified the statement to that extent.

*By Mr. Staples:*

Q. Would the increased yield not be due very largely to the care that was given to the cows? Would it not be due to that fact just as much as to the particular breed?

A. I do not think it was due to the particular breed. It was due to the individuality of the cows, because we find from our records that there are good producers and poor producers among all breeds.

Q. That is what I mean; do you not think it is the care given to the cows?

A. The care and feed have a great deal to do with it, but the individuality is responsible for a great deal more.

*By Mr. Broder:*

Q. You can get as much of a yield from a good cow that does not get good care as from a poor one?

A. Yes. I would like you to understand how this work is done. A group of farmers, say from 10 to 20, undertake to weigh the milk on certain days in the month, and take a sample for testing and then deliver it to some central point near the cheese factory or creamery, where it is tested. Under the present arrangement, the Department of Agriculture pays some local person to do the testing. We have to pay about 5 cents per test. That plan saves the cost of travelling expenses in sending a man

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around, and besides we are trying to get the cheese factory and creamery owners interested in this work and make these places the centres of that sort of thing. They should encourage it because the owner of a cheese factory is certainly interested in increasing the supply of milk within the area from which he now obtains it. It reduces the cost of transportation and would very materially reduce the cost of manufacturing cheese or butter in this country if the supply of milk within the area from which the factories now draw their support was increased, as it might be fully one-third or even 50 per cent, if the dairymen would study their herds, make careful selections and breed only from the best producers.

Q. Before the test took place the farmers were not aware at all of what the herds were doing individually?

A. No. There were some very great surprises. We find this rather striking fact: the average farmer judges his cows by the amount of milk they give while fresh; but it is the persistent milker that proves to be the good producer in the end, as a rule. When the record of a test and the weights for the month were obtained, they are sent to my office and compiled, and a report is sent to every member, showing the total yield of each cow to that date, from the beginning of the season. Then we make a monthly summary for each association, and strike off a large number of copies with a duplicating machine, and send a copy to every member of all the associations, so that the different members get reports from all over the country, and are thus enabled to make many interesting and instructive comparisons. These summaries are also sent to the newspapers.

*By Mr. Wilson (Lennox and Addington):*

Q. I sent copies of a bulletin on cow-testing to a great many farmers in my riding. They appreciated it very much, and a great many of them wrote to me thanking me for it.

A. I might dwell on that topic, but there are a good many other things I would like to refer to, and my time is limited, so that I shall have to proceed.

#### COOL-CURING OF CHEESE.

I might say that we still continue to advise and to urge the cheese factory owners to adopt plans for the cool-curing of their cheese. I am glad to say we are making considerable headway. There are now over 100 factories, including some of the largest factories in Canada, in southwestern Ontario, equipped with all the facilities for controlling the temperature, so that they can cure the cheese to the best advantage.

*By Mr. Armstrong:*

Q. Are they receiving a higher price for their cheese?

A. They are.

Q. How much?

A. They receive in some cases as much as a quarter of a cent. The point is, they receive more for the milk, because there is a better yield, and then there is a saving of losses which occur very regularly in places where the cheese are ordinary cured.

*By Hon. Mr. Fisher:*

Q. There is a saving of shrinkage?

A. That is what I meant by more of a yield from the milk. I might repeat a statement I heard made recently. At a cheese banquet which I attended in Belleville the other night a salesman from one of the largest factories in the district said they had put in a cool-curing room two years ago, and after a careful calculation

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they concluded that they had received a thousand dollars extra in that period, in return for an outlay of about \$600. I could quote numerous statements of a similar nature.

*By Mr. Armstrong:*

Q. You think the average increase would be about half a cent a pound?

A. I don't say they get half a cent a pound extra for the cheese, but you see there are other ways in which they get an advantage. They get the increased yield and the saving of 'cuts' from defective cheese. This salesman put it in this way, and that explains the views of them all. He said: 'I have been salesman for this factory for 20 years and was always having more or less trouble. The cheese were being rejected and there were constant complaints about the quality. Since the installation of cool-curing the buyers all want the cheese, and we have never had a single instance of trouble.' The advantage comes in that way as much as in the actual gain in the price of the cheese.

Q. You think it would average an advantage to the farmer about half a cent per pound?

A. It might reach that amount, perhaps.

*By Mr. Sexsmith:*

Q. What have you to say about the shrinkage?

A. The cheese do not shrink as much in a lower temperature.

Q. There is a large shrinkage now, and that is one reason why I think the introduction of cool-curing rooms was a good thing; it enables the cheese to be kept in a much better condition. In my district the cheese is shipped out after 10 days, and there is a good deal of shrinkage.

A. Cheese shrink a good deal in 10 days. I know that many lots of cheese are shipped in much too green a condition, and it is a very great injury to the cheese trade.

MR. SEXSMITH.—I think it is an advantage to have cool-curing rooms to keep the cheese in a better condition.

*By Mr. Broder:*

Q. There is a great difference between cold storage and cool-curing?

A. I believe in curing cheese at a temperature of about 60 degrees. That is what is called cool-curing. That is not cold storage at all.

Q. The trouble is that people confuse the two.

A. I know it, but they are very different. We don't want cheese in cold storage. Cheese will not develop the proper flavour if kept at extremely low temperatures. They will be neutral in flavour, which can only be obtained by development at the proper temperature.

*By Mr. Thornton:*

Q. What do you say is a proper temperature?

A. About 60 degrees.

## CHEESE FACTORY PLANS.

We are always prepared to furnish cheese factory owners with plans for the improvement of the curing rooms. These are plans which I designed some years ago as the result of a good deal of experience in the building and managing of factories. The specifications for the plans are in the Dairy Commissioner's report for 1906 of which we still have a number for distribution.

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*By Mr. Armstrong:*

Q. How many factories are there possessing cool-curing rooms?

A. Something like 100 at the present time. Quite a large number have been improved this year. I think there has been more interest taken in the subject during the past season judging by the number of inquiries which I have received than for some years past.

Last season a dairy division officer was stationed at Montreal to act as official referee of butter and cheese. That is to say, if there was any dispute between the buyer and seller as to the quality of the cheese, and both of them asked for the services of this officer, he made an examination of the cheese, and reported as to whether it was up to grade or not. I am glad to say that in cases where the referee gave a decision it was always final as far as a settlement was concerned, although he had no legal status whatever. There was so little demand for the services of a referee during the past season that it does not seem worth while to continue that office. Of course, the market was somewhat favourable, and there was not as much trouble over quality as there is some seasons.

*By Mr. Broder:*

Q. The fact of there being a referee probably saved a good deal of trouble?

A. Very likely.

Another officer of the dairy division who seems to be doing a useful work is the Inspector of Dairy Products. This man travels about the country and visits the centres where butter is manufactured and where it is packed, with a view of detecting violations of the Butter Act or other dairy laws. I am glad to say that we don't have many infringements of these laws, but quite recently a firm was convicted in the city of Quebec for selling spurious butter, and when the matter was investigated they traced the butter to the manufacturer in Montreal.

Q. Has that happened lately?

A. About four weeks ago.

Q. I saw something in the newspapers about it.

A. The owner of the factory was fined \$400 for the manufacture of spurious butter, and I hope we have effectually stopped the manufacture of it. I am glad to say this is the first instance of the manufacture of margarine, as it might be called, in this country, as far as we know, and we think we have succeeded in stopping it. It will be watched very carefully in the future.

Q. Were there some convictions before the law was passed?

A. There was one conviction for the importation of margarine a few years ago.

*By Mr. Sexsmith:*

Q. Is there any butterine manufactured?

A. It is the same thing.

*By Mr. Thornton:*

Q. It has been stated that the practice is quite common in Montreal?

A. I would not admit that the practice is common, but I suppose there have been some references to the convictions that have taken place. There have been one or two convictions for infringement of the Butter Act by branding dairy butter as creamery.

*By Mr. Barr:*

Q. There was one in Grand Valley, in Dufferin county?

A. Yes, and there were two other cases in Toronto which arose out of that one, making three cases. The inspector detected two merchants in Toronto taking the



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dairy wrappers off the butter and wrapping it in paper with a creamery brand and selling it as such in the market. This officer seems to be doing good service in protecting the legitimate dairy industry.

*By Mr. Wilson (Lennox and Addington):*

Q. Was this merchant fined for the offence?

A. Yes; the fine was \$10 in one case for false branding and in another case \$25.

*By Mr. Barr:*

Q. It was only \$10 at Grand Valley?

A. Yes. In the case of the manufacture of spurious or imitation butter the fine is \$200 to \$400.

*By Mr. Broder:*

Q. And I suppose they confiscated the whole apparatus?

A. No, there is no power to do that under the Act.

*By Mr. Armstrong:*

Q. Before you leave that question, do you make any examination of the factories to see whether they are in the habit of purchasing dairy butter and shipping it out as creamery?

Q. Yes, we have done some work of that kind. We work in co-operation with the local inspectors in such a matter, and they report to us anything of that sort which they see going on. They are constantly visiting factories, and are in a position to know if there is any crooked work of that kind being carried on.

## WORK OF THE FRUIT DIVISION.

Now, that is all I intended to say in connection with the dairy division. As in the case of Mr. Barr in the dairy division, I am very fortunate in having the assistance of so capable and experienced a fruit man in the person of Mr. Alexander McNeill, whom most of you know. The Chairman has suggested to me that it might be well for Mr. McNeill to appear before the committee and explain the work of this division; so I shall not take up much time in discussing it, but will pass on to some other things. As you know, the chief work of the fruit division is the administration of the Fruit Marks Act, and during the summer months a considerable amount of time and attention has been given to the compilation and publication of the fruit crop report. These schedules, such as I have here, asking for information on the crop, are sent out once a month to some four or five thousand correspondents in different parts of the country. When these are returned the information is compiled and published in the form of a report like this (holding up publication) once every month. It goes out within two or three days after the first of the month and covers the information for the previous month. These are circulated among the correspondents and are sent to any other person who desires to have them. They do not go out on our regular mailing list, because many people would not be interested in them. There is a special list for those receiving the fruit crop report, and some eight or ten thousand were distributed every month last year. Of course, as they are asked for we shall be able to have more of them.

## WORK OF THE COLD STORAGE DIVISION.

Turning to the cold storage division, I may say that this is the one division to which I give my personal attention, and to which I probably devote more of my time

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at present than to any of the other divisions, as far as details are concerned. One of the oldest duties of the cold storage division is in connection with the payment of the bonuses for the construction of cold storages at creameries, and I would like to read the circular which announces the conditions under which this payment is made:—

*To Creamery Owners,—*

I am directed by the Honourable the Minister of Agriculture to state that Parliament will be asked to extend the bonus of \$100 for cold storage at creameries to the year 1909.

*Conditions of Payment.*

Payment for the full amount of the bonus will be made at the close of the buttermaking season upon fulfilment of the following conditions, viz.:—

1. An efficient cold storage must be built according to plans and specifications supplied, or approved, by the Dairy and Cold Storage Commissioner, Ottawa.

2. A sufficiently low temperature must be maintained in the cold storage to protect the butter against injury for a reasonable length of time.

Creamery owners desiring to take advantage of this bonus will be required:

1. To make application before May 1, 1909, on forms provided for the purpose.

2. To send in a daily record of temperature maintained in the cold storage once a month during the season.

The construction of the cold storage will have to pass inspection by an officer of the department, or some person designated to make a report of it. The efficiency of the cold storage will be determined by this report and by the monthly reports of temperature.

Inspectors of the Department of Agriculture, Ottawa, must be permitted to examine the construction of the cold storage and to make tests of temperature at any time during reasonable working hours.

The temperature of the butter in any package which has been three days in the cold storage will be taken as representing the average temperatures of the cold storage.

The balance of the circular deals with the plans and specifications.

*By Mr. Sproule:*

Q. What assistance by way of bonus is given to each factory?

A. \$100.

Q. How many have taken advantage of it during the last few years?

A. Something like 660 creameries have received the full bonus.

Q. If it is in your report, I can get the information there?

A. I have with me the figures for last year. There were 18 last year, and then there were some back payments covering three additional creameries. They did not quite comply with the conditions at first, and they had to make the improvements and report another year before they could get the payment.

*By Mr. Wilson (Lennox and Addington):*

Q. You pay at the end of the season?

A. At the end of the season. We want to test the cold storage before we pay.

Q. Then you pay them all in one season?

A. We make the payments in one season.

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*By Mr. Armstrong:*

Q. You do not ask them to continue it for any length of time afterwards?

A. No, they continue the work themselves afterwards.

*Iced Car Services.*

Next in order comes the iced car service. You are probably all familiar with these services, but I would like to explain briefly the different services that are carried on at the present time. The first and oldest service is the iced butter car service. This service is arranged with the different railway companies so that cars start at certain points on certain days every week and pick up small lots of butter at way stations for Montreal. The terms of agreement between the department and the railway companies are as follows: The department guarantees two-thirds of the earnings of a car load at the current tariff rates from the starting point to destination plus \$4 for icing the car. If the car earns more than two-thirds of the car load then there is no claim on the department. A large number of these cars are run each year without any claim being made. The guarantee from the government enables the railway company to put on the service and the shippers knowing it will be regular, whether there is any butter to ship or not, make preparations to use it throughout the season. There is no doubt but this service, which was inaugurated a good many years ago, has assisted very materially in developing the butter industry in this country, because without it the individual shipper with a few boxes of butter could not take advantage of the refrigerator car. Ordinarily, if you want to use the refrigerator car you have to pay for a car load, because it cannot be used for mixed shipments, and, therefore, the only thing the creamery man could do without this guaranteed service would be to allow his butter to accumulate in the creamery until he had a car load—which is very objectionable, because it goes off condition—or else ship it in small lots in ordinary cars.

*By Mr. Armstrong:*

Q. Are these iced cars all examined when they come to Montreal?

A. Yes, if you will allow me I will refer to that matter under the head of inspection.

*By Mr. Brown:*

Q. Did I understand you to say that the government pays \$4 for each iced car?

A. The agreement is that the government guarantees two-thirds of all the earnings of a car at current tariff rates and pays \$4 for icing the car. If the earnings of a car amount to two-thirds, that is if the freight carries amounts to two-thirds of a carload and enough more to cover the \$4, then there is no claim at all.

*By Mr. Sproule:*

Q. I think the defect of the system in the practical working out is that many parties bring their butter to the station and find the car is filled and they have to take it away again.

A. Yes, cases of that kind have occurred no doubt but we find that when there is more butter than will fill one car another car is put on. I don't think that has occurred in a great many cases. We have inspectors travelling over these lines all the time. They very soon hear of anything of that kind and some other arrangement is made.

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*By Mr. Blain:*

Q. How far west are these iced cars provided?

A. As far west as Windsor and points on Lake Huron and the Georgian Bay.

*By Mr. Armstrong:*

Q. Before you leave the subject of iced cars. It seems to me that \$4 from a point in Western Ontario down to Montreal would be ridiculously small amount to ice a car?

A. Yes, the actual cost is more than that but there are a large number of cars coming from points within a short distance of Montreal where the cost is not \$4

Q. Is there anyone in the government employ that would know whether the cars were iced?

A. Yes, but I would like to refer to that later on, if you will allow me, as I have notes on that point.

#### *Iced Cheese Cars.*

Then the next iced car service is the iced cars for cheese. That is a different arrangement. The arrangement is that the Department of Agriculture will pay the icing charges to the extent of \$5 per car on refrigerator cars supplied for the shipment of cheese in car loads during the season. Cars are supplied by the railways on the demand of the shippers up to a certain number per week for about 10 weeks during the hottest period of the year. Between 1,100 and 1,200 cars were supplied in that way to the shippers last year throughout the cheese making districts.

*By Mr. Armstrong:*

Q. Does the government always pay that \$5?

A. They pay the icing charges to the extent of \$5, but it sometimes costs more to ice a car.

*By Mr. Sproule:*

Q. Is there anything to indicate the temperature at which these cars are kept on the trip?

A. Yes.

Q. By means of thermographs?

A. The inspectors make an inspection of the contents and they often use thermographs. I will come to that later on.

#### ICED CARS FOR FRUIT.

This season there was an iced car service, which seems to have been very useful, and that was the iced cars for the carriage of fruits intended for export in cold storage. Quite a large number of cars are supplied in that way and on practically the same terms and under the same arrangement as the iced cars for cheese.

#### COLD STORAGE CHAMBERS RESERVED FOR FRUIT.

I had the minister's authority to arrange for a service on the ocean for the carriage of tender fruits, which turned out very satisfactorily indeed. I refer to the matter of having certain chambers on the steamships reserved for the carriage of fruits only. Shippers of fruits have met a difficulty in the past when desiring to make small shipments of tender fruits or early apples in cold storage, because the smallest cold storage chambers on the steamers have a capacity of about 2,000 cubic feet, and no single shipper, as a rule, has enough of that class of fruit to fill one of these chambers. No other produce could be put in the chamber along with the fruit,



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because you require a temperature of about 33 to 34 degrees, and that is unsuitable for other products. The result has been that ships have been unable to provide much accommodation for this class of fruit. Last season we made arrangements with the Thomson Line and the Allan Line in connection with their London services to reserve chambers on four steamers sailing on August 22, August 29, September 5 and September 19, with this understanding, that if there was not sufficient fruit to fill the chamber that the government would pay for the dead space. Shippers were notified that the space was available, and I am glad to be able to tell you that there was no dead space, and that we have not been called upon to pay for any. The shipments seemed to have turned out very well, on the whole. I hope that this arrangement may be continued another season and extended to other ports in Great Britain, with special refrigerator cars to make close connection with each steamer. I have here a number of references from shippers which I would like to give to the committee. Mr. Woolverton, of Grimsby, wrote to the *Farmers' Advocate* of October 29, as follows:—

EXTRACT FROM 'FARMERS' ADVOCATE,' OCTOBER 29, 1908.

'Bartlett pears have been a tremendous crop, though slightly under-sized. Home demand has not been brisk, but excellent results were derived by exporting to Great Britain. Arrangements were made to ship in lots of 100 to 200 cases by express, on Tuesdays and Thursdays, to be loaded in Montreal on Wednesdays and Fridays. The returns were highly satisfactory, the profit being double that from home sales. Naturally, the highest profit came from No. 1 stock, as the charges are too high to ship low grade fruit so far.

'These shipments of pears in small lots were made possible by the fact that charges on space on the boats were guaranteed by the government. If this boon were extended to refrigerator cars to make regular connections with ocean steamers it would be greatly appreciated by fruit growers. Many have small lots, but fruit men are slow to start for fear the car would not be full. If the charges were guaranteed there would be few instances in which available space would not be taken, provided growers knew a car would be ready on a certain date, or on a certain day each week.'

Mr. E. D. Smith, of Winona, wrote me in the same connection. He says:—

'The Bartletts which I shipped on the *Sicilian* appear to have arrived in good condition, for they sold at a good price.'

We have any amount of evidence to show that it is possible to handle even peaches and many varieties of pears and land them in Great Britain in good condition, and in such condition that they will bring good prices.

By Mr. Armstrong:

Q. Why is it that such a small proportion of the fruit we produce in the country gets to market?

A. It is simply because of lack of method in the handling of it. Even the facilities that are available are not used to the extent that they might be.

By Mr. Sproule:

Q. Have you shipped any tomatoes under that system?

A. Shipment of tomatoes to Great Britain has not been very successful. The trouble seems to be the tomato does not lend itself very readily to cold storage. It must be picked a little on the green side to keep that long, and it does not ripen well in cold storage. The tomato seems to require the sun to give it colour and to ripen it. Cold storage men all agree that it is very difficult to preserve tomatoes with

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success. In order to keep at all, they have to be picked on the green side, and then they do not ripen nor colour well, but are inclined to go down and become soft and watery. A shipment of some 400 or 500 cases of British Columbia apples was required for the exhibition at London, and was sent in one of these cold storage chambers in the same way. I have a report from our London inspector on this fruit, in which he states:—

(Copy of Cargo Inspector Davis' report on fruit carried in cold storage on SS. *Huron* to London, October 27, 1908.)

'This exhibition fruit was well stowed and brought at a maintained temperature of 33 degrees, the atmosphere at time of landing being 48 degrees. With Mr. Giradot, of the Canadian section, I examined a case of each variety, and have to report that the condition justified the care taken at the port of lading, the fruit being sound, of good colour, large and free from bruises.

'This was really exhibition fruit and the growers may have good reason to be proud of their achievement.'

I would like to give you some idea of how we were able to place fruit on exhibition at the Franco-British exhibition last autumn. The extract which I shall read is from a letter written by the commissioner to me in regard to the fruit which arrived there. He states:—

'On September 5 we received 26 cases of new crop apples and 35 more on Saturday, September 12, On September 18 we received a small consignment of 17 cases of assorted fruit, among which were three boxes of Bartlett pears, called Williams here, and a box of peaches of the Crawford variety. On October 5 we received a shipment of 151 cases of assorted fruit, consisting of 61 boxes of apples, 24 boxes of pears, 60 boxes of peaches and seven crates of grapes. You will be pleased to learn that all this fruit arrived in perfect condition, and was remarkably well assorted and packed. The Alberta peaches have certainly made a record. Some of the peaches have been for ten days on plates in the exhibit without showing any signs of decay.'

The report goes on to state that sample packages of peaches and pears were sent to commission merchants and dealers in London. One box of 33 peaches sent to Geo. Munro, Limited, netted \$3.65. Another box, which went to Wm. Brooks & Sons, fruiterers, of Regent street, netted \$2.43 for 30 peaches. Averaging the two boxes, the wholesale price received was nearly 10 cents per peach, after paying the commission. They go on to state that peaches of that quality will retail on the market at a shilling each. I don't say that if you made shipments of peaches in a large and commercial way that you would be justified in expecting to net 10 cents in London, but even half of that amount would be a big price for peaches, and there is an enormous demand for that class of fruit at big prices if it is only landed in proper condition. I think we are justified in concluding, from the results of our experience last year in sending over the fruits to the exposition, that by putting it up properly and taking due care in the handling, that sort of fruit can be landed in Great Britain in first-class condition. Of course, shippers have to consider whether the price that can be obtained would justify the extra care or whether they could do better in supplying the home market.

#### PRE-COOLING FRUIT.

I want to refer to a matter which came to our notice in connection with a shipment of fruit last year, and the importance of having the fruit properly cooled before it is placed on board the steamer. Here is a memorandum which I have on the subject:—







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*'Memorandum re fruit carried in cold storage on SS. 'Ionian,' which sailed from Montreal, September 5, 1908, for Glasgow.*

'Two hundred and seventy-eight barrels of Canadian apples were shipped in No. 5 starboard refrigerator. These apples were examined at Montreal by fruit inspectors and were found to be mostly soft and slack, and some decayed. The temperature of the fruit was 76° and 78°, while the shed temperature was 62°. Thermograph No. 32331 was placed with this fruit, and a record of the temperature of the voyage is attached hereto.

'A consignment of California pears and plums was loaded in No. 5, after port refrigerator. This fruit was also examined by the fruit inspectors. The pears were found in good condition, but some of the plums were over-ripe. The temperature of the fruit, however, was 44° and 45°. Thermograph 36236 was placed with this fruit, and a copy of the record of temperature during the voyage is also attached hereto.

'The difference in these two thermograph records indicates in a striking manner how difficult it is to maintain the proper temperature in a cold storage chamber which has been filled, or partially filled, with fruit which has been loaded in a heated condition.'

Now, I have had an enlargement made of these two thermograph records, so that you could see it. This is the temperature of the room in which the fruit was cooled being put into the chambers. You see it goes right down to 36 degrees, and runs fairly even throughout the whole voyage. In the other the temperature started at 60 degrees, and it was four days before it was down to 40 degrees. The heat in the fruit had to be removed, and the heat which was generated while the fruit was ripening at that rapid rate had also to be removed. The refrigeration of fruit is a very different thing to the refrigeration of butter, where you can put the temperature down as low as you like; but if you put on sufficient refrigeration to put the temperature down quickly you would have the cold air coming into the chamber far below the freezing point, consequently freezing the fruit which it immediately came into contact with. The engineer has, therefore, that difficulty to contend with, that he cannot use the full power of his refrigerating machine in a chamber used for chilling fruit. He is aware of the critical temperature, about 32 degrees, and that it is not safe to have cold air coming in at a lower point. If he was trying to chill a chamber filled with butter or meats or any frozen goods, it would not make any difference; he could then put on the full power of his machine. That is why it is so difficult to manage the chilling of fruit. You will see the importance of having the fruit cooled before it is placed in a chamber like the cold storage chamber on the steamship.

*By Mr. Armstrong:*

Q. Do I understand you to say that there was a difference in the temperature in the chamber and the temperature of the fruit itself of over 5 degrees?

A. The temperature of the fruit was 40 to 45 degrees.

Q. Well, then, the difference is more than 5 degrees?

A. It is more than 5 degrees. But you see that alone does not indicate the temperature of the fruit inside the package, which has to come down slowly.

Q. That indicates the temperature of the room outside?

A. Yes. It takes time for the temperature of the inside of the package to come down to that of the room outside.

Q. I understand that what you have given us was the temperature of the fruit when taken out?

A. No, the temperature when the fruit was put in.

*By Mr. Rankin:*

Q. How was that accomplished?

A. The fruit was shipped in refrigerator cars.

Q. From the Pacific?

A. Yes.

*By Mr. Broder:*

Q. I suppose the fruit would sweat?

A. It would, if taken out and exposed to a warm moist temperature.

Hon. Mr. FISHER.—It is a case of the old story. Refrigerator cars and refrigerator ships are not for the purpose of cooling things, but maintaining things cool. It is impossible to cool things effectually in refrigerator cars or refrigerator ships.

Mr. RUDDICK.—I would ask the committee's permission to refer to an article which I found in a paper the other day. It is with some little pride perhaps that I do so. I find the Copenhagen correspondent of the *New York Produce Review* in the issue of February 24, 1909, writes as follows:—

'The organ of the Swedish agricultural societies urges that: (1) The Agricultural Department on behalf of the creameries contract with the private railroads, whereby they agree to run proper refrigerator cars at least once a week on the, for export, suitable days. (2) That export is done only on those steamers which are provided with good refrigerator machines, and where a registering thermometer is kept in the cool room, and that the temperatures taken on arrival in the foreign port are forwarded to the department. (3) That the state encourage the creameries by a subsidy of \$27 for the erection of cool rooms, if these are built on plans approved by the department. (4) That the state appoint an inspector to supervise these contracts and pay surprise visits to the refrigerator cars and steamships to take the temperature of the butter.'

I think that the Swedish dairy authorities have been reading our reports, and it seems to me that it is very complimentary to the services which we have been carrying on in this country. I happened when I was in Sweden a year or two ago to meet a gentleman who is very prominent in connection with the manufacture and export of butter, and since then I have been sending him my report regularly.

They seem to be urging upon their government in almost the very same words that I have used to-day to do the things which we are doing here.

*By Mr. Armstrong:*

Q. Just before leaving the transportation question, I would like to ask you this: In your report of two or three years ago you distinctly stated that considerable of the products exported from this country were piled up on the docks at Liverpool, and allowed to remain there from 24 to 75 hours, or something like that. Does that state of affairs still exist?

A. No. That is one of the things I was going to refer to under the head of inspection if you will just leave that. I find that Dr. Wiley, Chief Chemist of the Department of Agriculture, Washington, in his somewhat famous report on 'The Effects of Cold Storage on Eggs, Quail and Chickens,' makes this reference:—

'The Dominion of Canada, it appears, has taken a more active interest officially in cold storage than any other country so far as is known, since they have recognized it by Act of Parliament, and provided to a certain extent for its regulation.'

#### THE COLD STORAGE ACT.

The members of the committee, I have no doubt are nearly all familiar with the Cold Storage Act, which was passed the session before last. I may say that quite a

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large number of firms and companies have made application for the subsidy given under this Act. I think a return was brought down the other day in the House giving particulars, so that it is not necessary that I should give the names of the applicants.

Mr. BRODER.—Would it not be wise to increase the percentage provided in the Act? The difficulty is that a man of large means won't accept that and be subject to the regulations, and the poor man who is ambitious is not able to get through. I think the country would approve of it if you could see your way clear to increase the percentage.

Hon. Mr. FISHER.—I have been thinking about that a good deal. I think perhaps that instead of increasing the percentage it would be better to make some slight difference in the conditions. I don't think it would be wise to increase the percentage in the case of large companies in large centres; I think it would rather encourage promoters. At the same time, I can quite understand that in a small country place where the business is carried on on a small scale, it might be well to make the conditions somewhat different, so as to give greater encouragement to such cases. I am considering and trying to work out something of the kind.

Mr. BRODER.—I am glad to hear you say that.

## COLD STORAGE OF FRUIT.

Mr. RUDDICK.—I would like to refer briefly to the general question of the cold storage for fruit before leaving this subject. No person appreciates more fully than I do the importance of cold storage to the fruit trade. At the same time, I realize that it is a matter which might very easily be overdone in one or two directions, especially as there is not very much information bearing on the subject in possession of the average grower and shipper. What I mean is this: It is a well known fact that early apples, if they are in proper condition, may be placed in cold storage and their life, or the time when they would be in the best condition, thus extended for several months; but if a large quantity of our early apples were to be handled in this way, it might not prove financially successful if carried too far. If, for instance, a large quantity of Nova Scotia Gravensteins were to be cold-stored and kept in perfect condition for a month or six weeks longer than usual, it seems to me the owners would meet this difficulty in disposing of them: The trade and their customers in Great Britain have got to know by experience that the Gravenstein reaches its best about a certain date, and after that date they are unsafe to handle. If they are offered that variety they won't buy it, but will buy something else. If we attempt to extend the period during which certain varieties of apples are to be kept in good marketable condition; we must do it carefully and gradually, and not in advance of public confidence. I think that it would be better to go slowly in this matter. There is another point. I find there is a tendency to look upon cold storage as a sure preventive of decay and deterioration in the apples no matter what their condition may be when placed in storage. Now, if you are going to cold-store apples you must be careful in selecting and putting away apples without defects, skin punctures or bruises of any kind. An apple rots because moulds get beneath the skin and develop there. The skin of an apple in perfect condition prevents the entrance of the moulds or other forms of fungus growth which cause the rot. If there is the slightest puncture, bruise or blemish of any kind, or if the apples are too ripe and the skin thus weakened, such apples put in cold storage will not keep, because the moulds will grow even at the low temperature. Therefore, apples which are to be stored must be very carefully handled. You must be sure to avoid these slight, very slight bruises, which are sufficient to cause trouble in that way. A great deal of loss and disappointment has resulted from storing apples and other fruits and neglecting these precautions



*By Mr. Sproule:*

Q. Before you leave the subject, have you any records of the thermographs taken from day to day in these vessels, and if so, where can we find them? Are they in your reports?

A. The complete records are not in the report. These are copies, or at least photographs. We used the original records as negatives, making these blue prints from them in our own office. These are duplicates of all the records obtained last year.

Q. I mean where could these records be got to be examined?

A. They are in my office, and I would be very glad to show them to any one desirous of seeing them. We think these records are pretty good. They are certainly better than they were at one time, and they show very good results indeed.

*By Mr. Lewis:*

Q. What limit is there to the keeping of apples which are put in cold storage in perfectly good shape, fall or winter apples?

A. What you mean by good shape is, of course, that the apples should be stored at the right stage of maturity. It is well to remember that an apple which is well matured, but not over-matured, will keep longer in cold storage than an apple which is picked green, because the skin is in more perfect condition.

Q. The question is, how long will they keep?

A. I cannot answer your question off-hand, as there are so many different conditions, but I will give you this illustration: at the Dublin Exhibition a year ago last summer, Fameuse apples, or snow apples, as they are sometimes called, were on exhibition in the month of August, a year after they were grown.

*By Mr. Broder:*

Q. In good condition?

A. I would not say in perfect condition.

Hon. Mr. FISHER.—They are so good and looked so good that when the King saw them he thought they were wax imitations; he could not believe that they were not until he handled them. I insisted upon his handling them and eating one.

*By Mr. Lewis:*

Q. They would go to pieces very soon after coming into cold storage?

A. Of course, because they ripen slightly in cold storage.

Hon. Mr. FISHER.—Those apples had been five days on the table when His Majesty saw them.

Mr. RUDDICK.—There is another point in connection with cold storage for these tender fruits, I am speaking now of the soft, tender varieties. Any fruit which is chilled down to about 33 or 34 degrees, is much firmer and harder than that same fruit would be if the temperature was up to 75 degrees. It will stand transportation much better at the lower temperature. It does not bruise so readily, will stand more knocking about without injury.

In connection with the thermograph records which Dr. Sproule mentioned, I would like to call attention for the first time to some records which were secured this year from ships sailing to South Africa from Montreal and to Australia from Vancouver. There were two shipments of British Columbia apples to Australia this year. Thermographs were placed in the chambers along with the apples, and we have just got the records back. We have some special thermographs which run for 23 days for these services. In connection with the South African service we have



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some little difficulty about sending out thermographs. The boats in this service are all run under charter, and when they arrive in South Africa they are liable to go to almost any port in the world, and we do not know when we are going to get our thermographs back. I am pleased to say, however, that we have had in use over 200 thermographs, and in six or seven years we have only lost two; one went down with the *Monterey* and another one disappeared somewhere else, I don't know where.

*By Mr. Sproule:*

Q. Before you take up the subject of the Fruit Marks Act, have any experiments been carried on with regard to shipping meats and fish in cold storage?

A. I am not aware of any experiments being conducted, but a large quantity of fish is being shipped in cold storage. During the last year there has been a big increase in the shipments of frozen fish and fresh fish in refrigerator cars. Fish is being shipped from Nova Scotia to British Columbia and from British Columbia to Nova Scotia. The haddock, which is not found on the Pacific coast, is being shipped from Nova Scotia in the cured form of finnan haddie in quite large quantities. Then halibut caught off the coast of British Columbia is being shipped eastward and can be found in the cold storage warehouses down in Halifax. A large trade has developed during the last year or two in frozen and refrigerated fish shipped from Nova Scotia out west. Frozen lobsters are now shipped west.

Q. What about beef and mutton?

A. Fresh meat is not being shipped from Canada to any extent, but there is a quantity of American beef that comes through Canada and is occasionally shipped on the Canadian steamships. There are also comparatively small shipments of poultry to Great Britain about Christmas time.

Q. It seems to me there is this defect in the statement of Dr. Wiley, of Washington. He says we have the best cold storage in the world. But they are able to ship thousands of carcasses of mutton from Australia to England and land it in very good condition. I do not see that we are doing anything in that line at all, so that Australia must have a better system than we have?

A. There is this difference between the New Zealand system and our system. I am rather familiar with the New Zealand service, as I had to do with it when out there. They ship only frozen products and at a low temperature and a variation of 10 or 15 degrees makes no difference. They get from zero up to 15 degrees. It is very easy to run a cold storage chamber in that way as compared with our own chambers for the carriage of fruit where you must not go below the freezing temperature of the fruit, which is about 32 degrees, and yet you want to keep it as near as possible to that point, so there is little margin to go on. There is really only one class of products shipped from New Zealand, which is now the most important of meat-exporting countries in that respect. They ship about four or five million carcasses of frozen mutton and lamb annually. The butter is put into the same chamber. They do not carry fruits at the higher temperatures; we have some variety in our products in cold storage, very much more than New Zealand or Australia.

## EXTENSION OF MARKETS.

I have still one division to deal with, namely, the Extension of Markets Division, and like the other divisions I have mentioned, the Fruit Division and the Dairy Division, I am very fortunate in having an assistant in the person of Mr. W. W. Moore, who is a very capable man in work of this kind. Mr. Moore has rendered most excellent service to the state and the department in connection with this work. We call this the Extension of Markets Division, but might more properly, I think, be called the Inspection Division, because the work assigned to it consists largely of the supervision of the different inspection services which are carried on by the

department in connection with the transportation of perishable food products. Now, with reference to the refrigerator car inspection, about which a member of the committee has already asked a question, I would say that we keep one man in Ontario and two men in the province of Quebec, where there are more cars running than in the former province, on account of the larger number of creameries in operation. These men go out to the starting point of the cars, travel on the train which carries the car, and are thus enabled to take the temperature of the butter as it is delivered at the station, note the length of time it has been lying at the station, and secure such other information as may be transmitted to the owner of the butter or to the railway officials, with a view of securing a better handling for the butter. They make a report on each trip and we write to the owner of the creamery and call his attention to the fact if his butter is found to be high in temperature, or if it has been exposed longer than necessary at the station. A letter of this kind received by the creamery owner emphasizes a point that he probably may not have thought very much about. The travelling inspectors take the temperature of butter in certain packages at stations and mark them, so that when the cars arrive at Montreal the inspector there finds the marked packages and takes the temperature again. In that way we get a good idea of the efficiency of the service. It is provided in the agreement between the railways and the department that if no ice is found in a car when it arrives in Montreal, there is to be no claim against the department for that car, so that we do not find many cars come into Montreal without ice.

*By Mr. Armstrong:*

Q. One man may have to look after a number of cars. Can he do that successfully?

A. Yes.

Q. He could not possibly look after them all?

A. He could not possibly be on all the routes in one week, but he gets around often enough to form a pretty general idea of what is going on. On some routes he finds there is so little need of inspection that he pays greater attention to others.

Q. And the temperatures, you say, are published?

A. They are published in my annual report. If you look at the last report of the Dairy and Cold Storage Commissioner, page 97, you will find a large number of records of temperatures of packages of butter at different points, with the names of the creameries whence they came.

*By Mr. Brown:*

Q. In our section I saw a car being loaded one morning. The teamsters came there with butter from the factories, but the car door was left open much longer than it should have been. To whom should representations be made in such a case as that?

A. When the car is standing at the station, I think the agent is the proper man to attend to anything of that kind. If anything of that kind is being neglected, I would be very glad if you would write to me and I will see that it is placed before the proper official of the railway. I want to say this, that when we have made a complaint, not in general terms, but specifically, regarding any neglect on the part of the train crews, it has always been carefully attended to by the higher officials, because they are desirous of having these things done right.

Q. The agent will reply to you that he is alone and cannot attend to the closing of that door for every teamster that comes with butter, as he has other duties to look after?

A. If I was a shipper of butter, I should look after that thing myself very carefully. It is a very easy matter for the shipper of butter to instruct his teamsters to close the car door after he has unloaded the butter. There is often great carelessness

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and neglect in matters of this kind. Our inspector calls attention to these shortcomings whenever he sees them. It is his business to do that and we have evidence that this sort of educational work has not failed to produce good results.

There are six men at Montreal who act as cargo inspectors, and they give us a report on forms, such as I have in my hand, concerning the loading of every steamer carrying perishable products from Montreal. It covers a description of the refrigeration on the steamer, and how it is ventilated. The report also shows where the thermographs are placed and with what kind of cargo, gives the temperature of butter, cheese, apples and all other products, the condition of packages, &c. There are five inspectors in Great Britain. We get another report from one of them, on each steamer, showing the temperature and condition of the cargo on arrival. These reports are compared and if there is any discrepancy in the condition of the cargo between loading and discharge, we know where the fault lies and get after the responsible parties. I think we can safely say that we have accomplished some excellent results in that respect. Now if you will allow me to go back.

*By Mr. Sproule:*

**Q.** Are all these details in your report?

**A.** Only a summary, we get hundreds of these. That constant supervision of the handling of our food products such as butter, cheese, fruit, meats and all that sort of thing, by these men has had a wonderful effect in improving the condition in which they land in Great Britain.

Some one asked a question about the delay in the removal of butter from the docks in Great Britain. Some years we were obliged to report that butter was very frequently left for seven or eight days on the quay without any special protection. Our inspectors first called attention to this state of affairs, then we took it up with the Harbour Boards, particularly at Liverpool, and with the produce merchants there, and at first they were inclined to tell us to mind our own business, that it was their affair and they would do as they pleased about it. They did not say so quite in those words, but that is what it meant. The thing went on and there was some pretty warm correspondence for a while. It so happened that I made a personal visit to Great Britain about that time, met the importers of Liverpool had a talk with them, explained our position and told them what we were trying to do. Visiting Great Britain two years after that I found the importers at Liverpool quite in accord with our view of the matter, and the agitation had resulted in the Canadian Pacific Railway company having installed a cold storage warehouse in their sheds on the docks. Now the butter is discharged at the Sandon dock, where the Canadian Pacific steamers berth direct from the ship into the cold storage warehouse. The same practice prevails at London, so we don't hear much about butter being left for any length of time on the quays.

**Q.** Or any fruit?

**A.** Fruit is not handled from the steamer in the same manner as butter is, nor is it put into cold storage when it is landed there.

*A Comparison.*

In the evidence of Dr. Robertson given before this Committee in March, 1901, I find this statement:

'Last season our cheese trade got the worst setback from poor boxes and heated quality it ever got. It is now in a precarious condition. I do not know of a time when it was in a more doubtful position than it is at present. We got good prices in the summer, but hot weather in August and September caused the cheese to be heated, and much of it was landed in England in poor condition. It looks as if we might receive this summer of 1901 to the extent of \$2,000,000 less for our export cheese trade,



because of the bad impression made in England last season by the poor condition in which much of it landed.'

Further on the Commissioner gave the following details:—

I have here a memorandum furnished by an importing firm in Great Britain, reporting on quantities of cheese delivered in a heated condition after August 2, 1900. On August 2, 2,264 boxes arrived with 'scale boards greasy and appearance spoilt.' On August 6, 2,130 boxes are reported as 'scale boards greasy and appearance and flavour spoilt, over developed by the heat.' On August 14, 4,429 boxes arrived 'most of this shipment badly heated, grease coming through the boxes and flavour completely spoilt.' On August 17, 7,893 boxes, 'scale boards greasy, appearance spoilt, flavour of many of them also completely spoilt'; report is similar until September when it says '7,138 boxes, some of these have clean scaleboards, but many of them are greasy and general appearance has suffered.' From August 2 to September 26, this firm reports on 45,358 boxes arriving in heated condition by 19 steamships. They add 'in most of the above mentioned shipments the boxes have also been very roughly handled in transit and have arrived here in badly broken condition.' Their report is dated September 27. Several other reports of a similar character we received which is bad for the trade.'

Comparing the conditions in 1900, as quoted above, with those of 1908 as shown in the following letters from cheese importers in Great Britain, it is evident that an enormous improvement has been brought about in recent years.

Extracts from letters received by the Dairy and Cold Storage Commissioner's Branch from importers in Great Britain.

From Lovell & Christmas, Limited, London, dated January 4, 1909.

In reply to yours of the 2nd inst., speaking from our personal experience, the percentage of heated cheese throughout the past season has been practically nil. During the warm weather we brought all our cheese in cool storage, at a small additional freight, and found this precaution was of great advantage, because the cheese arrived here in perfect condition, and the saving in the weight (shrinkage) almost, if not quite covered the extra expense incurred by having the cheese in cool, instead of ordinary, stowage.

In our opinion there has been a vast improvement in the carrying of cheese during the last 10 years, and as far as the past season is concerned, we do not think it could well have been improved on. We believe this is the general feeling of the trade here especially on the part of those who have taken advantage of the cool storage on the vessels.'

From Rowson, Hodgson & Co., Ltd., London, dated January 7, 1909.

*Heated Cheese.*—Our experience is that only a limited quantity of the imports from Canada this season have shown any external or internal signs of heat—we should not think 5 per cent of the entire quantity received into the country, whereas 10 years ago probably fully 25 per cent of the goods arriving suffered from the defect referred to.

Regarding the ocean carriage and landing of butter and cheese, so far as London is concerned there has been a gradual improvement during the last 15 years, and more especially since the time that the 'cool air' storage has been adopted on two lines of steamers, viz., the Thomson and the Allan lines.

From Herbertson & Hamilton, Glasgow, dated January 15, 1909.

'We have pleasure in reporting that our shipments of Canadian cheese received the past season show a distinct improvement both in condition and quality compared with previous years, and are a great advance in all respects with what we were receiving, say ten years ago.



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From Andrew Clement & Sons, Ltd., Glasgow, dated January 19, 1909.

'In 1908 heated cheese were too few to do any harm worth mentioning, and the present carrying arrangements are about as near perfect as we can reasonably expect.'

From H. H. & S. Budgett & Co., Ltd., Bristol, dated December 18, 1908.

'As regards condition, we are pleased to be able to report favourably taking the season as a whole, no cases of heated or badly carried cheese having come under our notice.'

From Price & Parker, Bristol, dated December 20, 1908.

'In reply to your inquiry respecting condition on arrival of Canadian cheese this year, we beg to say that, with regard to summer heating, we have had no cause to complain whatever as every particle has been landed in good condition in that respect.'

From Pullin, Thomas & Slade, Bristol, dated January 13, 1909.

'As far as the carrying is concerned we consider the past year one of the most satisfactory; we have had only one or two parcels during the whole season showing the slightest signs of heat, besides which we are confident the boxes on the whole have arrived in a less damaged condition than they sometimes have.'

From Co-operative Wholesale Society, Ltd., Manchester, dated January 8, 1909.

'For some years we have with pleasure found a gradual improvement in the condition of cheese on arrival in Liverpool. Which can, I take it, be ascribed to the improved means of transport, both rail and steamer service. We practically have had no cause for complaint especially during the past two or three years.'

From Bamford Bros., Liverpool, dated January 13, 1909.

'We are in receipt of your enquiry of the 7th inst. re the conditions of the Canadian cheese which we have received during the past season as compared with previous seasons. We are pleased to say that during the past season we have received very few cheese in a heated condition. We also find that the boxes are landed here in a better condition than what they were a few years ago, the only exception as to this being the cheese from the Quebec section. The boxes of these goods as a rule are more broken than cheese consigned from further west.'

From Frank Hamilton & Co., Liverpool, dated January 19, 1909.

'Taking transportation first, there can be no question whatever but that improvements in this direction have been greatly to the advantage of all shippers of perishable goods.'

As you are no doubt aware, our firm has been for over 20 years personally represented in the port of Montreal during the shipping season, and we are therefore in a position to appreciate to the full the efforts your government have made to minimize the losses to shippers caused by neglect and delay at the ports of shipment. It is not so many years ago that a walk along the docks of Montreal would disclose thousands of barrels of apples piled in the open and exposed to the effects of the weather, both hot and cold, and the bottom tiers often covered with mud or coal dust.

The steamers in those days only carried some 5,000 to 10,000 barrels of apples apiece and the shutting out of goods was the rule rather than the exception. It was no uncommon thing to have a through bill of lading in our Liverpool office a month before the goods put in an appearance. Such a state of things is now impossible. Montreal being equipped with some splendid cargo sheds which will compare favourably with those of any other port in the world, and as the railway tracks run alongside, the handling of goods has been reduced to a minimum. In conjunction with these improvements the class of steamer using the port is also improved and it is seldom that perishable goods are shut out.

9 EDWARD VII., A. 1909

The recent concession of your government to fruit shippers of free icing of cars during transit has had a beneficial effect on the condition of the fruit arriving at port of export.

On the whole the transportation conditions to-day are tremendously ahead of what they were some years ago, and in consequence better results are obtained when the goods are sold on the British markets.'

This very marked improvement is not all due to better transportation facilities. We must credit several things with a share. The cool curing of cheese, the use of iced cars, more general cool storage at Montreal, the cooled air and forced ventilation on the steamers, cool storage at the ship's side in Great Britain, have contributed to help along the good work.

Q. Cheese do not go in cold storage?

A. If the temperature is under 70 degrees cheese will not show a heated, greasy condition. The grease does not exude from the cheese until the temperature rises above 70.

Q. Do you not want any refrigerating system for cheese?

A. Not necessarily. It does not make any difference what the system if the temperature can be kept down to what it should be below 70 degrees.

*By Mr. Broder:*

Q. Has there been any trouble owing to the cheese being too green?

A. Yes, there have been a good many complaints about that. That is the chief complaint about our cheese at the present time.

Q. The factories are largely to blame for that?

A. Yes, they control the situation. I would like to say that we have also been trying to improve the shipments of cheese on the river boats throughout Canada and I think we have had some results from those efforts also. I will give you one instance. There is a boat which travels on the St. Lawrence carrying nothing but cheese during the hot weather. The shippers complain that the service is not as good as it should be and ask us to make some arrangements to put cold storage in that boat. I had an interview with the owners of the boat and made an arrangement to send one of the inspectors to take a trip on it. He found this condition: between the hold where the cheese was stored and the boiler room there was a thin partition and the heat that was coming through there was heating the whole cargo space, and a steampipe which ran some part of the machinery extended right along under the deck through this space in which the cheese was carried. It is strange that people do not see these things and remedy them. We suggested to the owners of the steamer that the steampipe should be put on the deck and the bulkhead insulated. That was done and it made a very great difference in the accommodation that vessel was able to give for the carriage of cheese. I mention that as an instance of how our system of supervision enables us to effect very simple and yet very necessary improvements.

*By Mr. Broder:*

Q. Would you also recommend the same sort of steamer service for fruits from Niagara?

A. I am afraid it would be too slow. They want to get the fruit down from there in one night.

*General.*

In concluding, I would like to refer to the general work of the branch. I have been most fortunate, and the department has been fortunate, in having among the officers who assist me, several men so capable as those to whom I have already referred. Mr. McNeill, Mr. Moore and Mr. Barr carry on the detailed work of their several divisions with such ability, devotion to duty and singleness of purpose, that

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they have won the confidence of all whom we are trying to assist. Mr. Whitley, in charge of the dairy records, is doing excellent work, and so are others, occupying minor positions.

We have in addition to the work which I have been referring to a very large amount of correspondence on technical subjects. People write to us inquiring for information on all sorts of subjects and the careful and conscientious answering of such letters takes up a good deal of time. Then during the winter and at certain other periods of the year, a large number of meetings are attended and addresses delivered. I sometimes think that we spend too much time talking and not enough on illustration work, but there is no doubt these meetings which are held do something to stimulate and encourage people to go on improving in various ways. The last year or two we have been making a rather extensive use of the lantern to illustrate our subjects and we find that very useful indeed. Now the last thing I have to refer to is our publications.

*By Mr. Sproule:*

Q. Before you deal with that I would like to ask if you had many prosecutions for violations of the Fruit Marks Act last year?

A. Not as many as the previous year, but there were quite a few.

Q. Are they set forth in your report?

A. Not for the past season, but previous seasons' records are there. There have been 70 convictions so far this year. A few more are pending.

*By Mr. Armstrong:*

Q. How many inspectors have you?

A. There were 21 last year. These officers are Dominion inspectors and work anywhere they are sent. We had three new inspectors last year in addition to those employed previously.

Q. Do you not find a great many representations coming in urging on the department the necessity of appointing more inspectors?

A. We had quite a number of requests for additional inspection from men who would like to have the department supervise their packing, but, of course, there is no intention of doing anything of that kind.

Q. I can quite understand that, but you must know that a large portion of the fruit going out of the country is not inspected at all?

A. Not a very large portion of it. Take this year, the inspections covered lots containing 694,000 packages of fruit up to the present date. I don't say that every one of these packages was inspected, but the inspection covered lots containing that number of packages of fruit which is a very large proportion of the fruit shipped.

*By Mr. Marshall:*

Q. I am not clear as to the financial assistance for refrigerator cars, is that for fruit exporters?

A. The \$5 per car for icing charges is paid only on fruit intended for export in cold storage.

Q. It does not apply to fruit shipped from one point to another in Ontario?

A. No.

*By Mr. Burrell:*

Q. Is provision made in the Act for the erection of cold storage warehouses for fruit in the same way and to the same extent as for other products?



A. There is no provision in the Cold Storage Act for the erection of warehouses for the handling of fruit only.

Q. Then fruit warehouses are not given similar assistance?

A. The Cold Storage Act provides for the payment of 30 per cent of the cost of general cold storage warehouses, which includes fruit.

Q. To what extent is it being used?

A. The 30 per cent subsidy?

Q. Yes?

A. There have been no warehouses erected yet for the special purpose of caring for fruit under the terms of the Act. They have all been general cold storage warehouses, some of them with large space for the storage of fruit. One warehouse has been erected in New Brunswick which will handle about 100,000 barrels of apples and others are proposed in the maritime provinces with about the same capacity. Most of the warehouses have provisions for handling apples as well as other products. They have rooms in which the temperature can be controlled for goods that require freezing temperatures and other rooms in which fruit, cheese, or anything of that kind can be stored.

Q. Are there any applications from British Columbia?

A. Yes.

Q. For cold storage warehouses?

A. Yes, but no contract yet though there is an application in.

Q. From where?

A. Victoria.

Q. There are none from the Okanagan Valley?

A. No.

Hon. Mr. FISHER.—I might say that the Cold Storage Act implies—I forget the exact words—that the cold storage to be subsidized must provide for all kinds of perishable products. The Act does not contemplate storage for one particular product although that is one of the points I was discussing with my officers and with others, and that is what I referred to a few minutes ago. The intention of the Act was a general cold storage accommodation. Referring to a copy of the Act which has just been handed to me, it says, 'equipped with mechanical refrigeration in Canada and suitable for the preservation of all food products.' That seems rather to interfere with the giving of a bonus to cold storage avowedly for only one purpose and that is one of the points I am discussing and considering at the present time.

*By Mr. Sproule:*

Q. Am I correct in understanding that not many in Ontario have taken advantage of this arrangement and are erecting buildings? Were there not some on the Georgian Bay that got assistance?

A. There is an application in for Owen Sound at the present time.

Q. From Thornbury?

A. No, there is just the one. If the committee would like to have the names of the applicants for the cold storage subsidy provided for in the Cold Storage Act I can give them. There is the New Brunswick Cold Storage Company, St. John, N.B., first and second instalments paid; Scott, Ashton & Co., Morrisburg, Ont., contract made but no work done on building. Edmonton Produce Company, Edmonton, Alta., made application, but the work has not been undertaken. The B. Wilson Co., Ltd., Victoria, B.C., made application and are building a warehouse. No contract entered into yet. Scott & Hogg, Peterboro, Ont., contract made and they have received their first instalment. The Halifax Cold Storage Co., Port Hawkesbury, N.S., have received the first and second instalments on their work. The Trenton & Atlantic



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Storages, Trenton, Ont., signed a contract and intended to build last year, but failed to do so. They will probably build a warehouse this year. Cold Storage, Ltd., Woodstock, N.B. Completed warehouse and received first instalment. The J. D. Moore Co., Ltd., St. Mary's, Ont., have signed a contract, but have decided not to go on with the work at present. There is an application for a large cold storage warehouse at Prince Rupert, B.C., from the Canadian Fish and Cold Storage Co., Ltd. It is intended for the fish business, but has not yet been dealt with or considered. There are three applications for cold storage warehouses in Halifax, but no contract has been made yet and the thing has not been settled. The firms are the Acadia Cold Storage Co., Ltd., the Nova Scotia Cold Storage Co., and the Atlantic Cold Storage Co. There is an application for a warehouse in Prince Albert, Sask., from R. T. Treen. It is being considered and there is no reason why a contract should not be made. An application was received from the London Cold Storage Co., London, Ont., but the warehouse was not eligible under the Act for the subsidy, having been in existence for several years. These are all the applications received to date.

Mr. MARSHALL.—I was going to ask the Minister of Agriculture if the Act would apply to a company like ours? We have built a storehouse for our own use.

Hon. Mr. FISHER.—No, you must provide public accommodation, the accommodation must be for the public.

Mr. MARSHALL.—Of course, it would be in a sense for the accommodation of the public.

Hon. Mr. FISHER.—But the Act requires that the cold storage accommodation must be available to anybody who wishes to put perishable products there and the rates to be charged are subject to the approval of the department.

Mr. MARSHALL.—Can you build any sized warehouse and still claim the bonus for it?

Hon. Mr. FISHER.—The plans and specifications have to be submitted and the question of meeting the demands of the trade in the locality has to be considered by the Cold Storage Commissioner so that the public may be given the advantages.

Mr. BRODER.—It has to be looked at from the public advantage side.

Hon. Mr. FISHER.—It has to be looked at from the public advantage side and anybody who gets this bonus is expected to meet the trade conditions of the neighbourhood. That has to be considered in deciding the question.

*By Mr. Armstrong:*

Q. Before Mr. Ruddick leaves the Extension of Markets Branch would he tell us what he is doing in connection with the extension of markets in other countries?

A. I did not mention that feature of our work, because I wanted particularly to refer to the Inspection Service, but we have had a great deal of correspondence with exporters in Canada and with merchants abroad and have done a good deal I think to bring these together in various ways. Some assistance has been given in that direction by publishing a list of exporters of some Canadian food products and also lists of British importers of Canadian products. We find a considerable demand for these publications.

Q. Is there any attention being paid to our getting into the German market?

A. That does not come under the province of this division of the Department of Agriculture.

*By Mr. Broder:*

Q. I was noticing in a report issued by the Trade and Commerce Department some complaints about apples in Australia from our agents there, that they arrived in very bad condition. I do not know whether they were private shipments or not?

A. You are not thinking of South Africa, are you?

Q. I beg your pardon, it was South Africa I think?

A. They have very stringent regulations in South Africa in regard to the importation of fruit. We find that some shipments that have gone there this year have contained too many codling moths to suit their regulations. I think they have a limit of 10 per cent and if they find more than that quantity of the apples affected with codling moths they confiscate the shipment.

Q. The apples may appear a great deal better when they leave here but perhaps the moth is working among them all the way and they look much worse upon arrival there?

A. There may be something in that, but the trouble is sufficient care is not taken to ship fruit of the proper grade and quality.

*By Mr. Sproule:*

Q. Could you give us any information as to the rates on steamships using cold storage as compared with the rates on steamships in which food products are shipped in the ordinary way?

A. I have not got the rates here and I would not like to speak from memory, as they are frequently changed.

The CHAIRMAN.—I think it is 25 cents difference between ordinary storage and cold storage, that is on apples.

Mr. SPROULE.—I mean on all lines.

Mr. RUDDICK.—The rate is about 10 shillings a ton extra on butter, but that is shipped in cold storage. They charge 5 shillings a ton more for cheese kept in cool air.

*By Mr. Gordon (Kent):*

Q. Ton measurement?

A. Ton measurement.

*By Mr. Armstrong:*

Q. Has any reduction been made in the last year or two as between cold storage and ordinary storage?

A. The rate varies from time to time, but I am not aware that there has been any reduction in the difference between the ordinary rate and the cold storage rate.

Mr. RANKIN.—I would like to ask what the prospects are of developing a dead meat trade between this country and Great Britain. Argentina has taken up a very large trade of this kind and as we are nearer the market than they are we ought to be able to do the same.

Hon. Mr. FISHER.—That is a question which has been discussed lately in the live stock meetings and were deliberated at some length last year at the meeting of the Dominion Live Stock Association here in Ottawa. My personal opinion and it is only my personal opinion, is that there are two reasons why there is no such trade. The first is that the trade with England is in the hands of the men who ship live cattle and they have no desire to change their methods. The second reason is, and I think myself it is really the fundamental one, that for the purpose of establishing a dead meat trade it is necessary that we should be able to give a continuous supply. That we cannot at the present time get from Canada. We can send a large quantity for a month or two, possibly. Then for other months we would have none to send and the market seems to require a continuous supply. Until that difficulty is overcome I do not think there is any possibility of establishing a dead meat trade in Can-

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ada. I might say that a number of people are very much interested in it and are very desirous of establishing such a trade. My own mind has been on it for some time, but I have been confronted with that difficulty and I do not see any way at present of overcoming it.

Mr. SPROULE.—We used to have a pretty continuous supply of live animals?

Hon. Mr. FISHER.—Not a continuous supply. There are very large shipments at some periods of the year and practically none at others.

Mr. BRODER.—Private capital will have to undergo the risk and make the experiment.

Hon. Mr. FISHER.—Some private individuals have tried to establish a dead meat trade and failed. The William Davies Company, some years ago set aside a considerable amount of money—I have forgotten the exact amount, but I think it was \$25,000—and said they were prepared to lose it in the hope of establishing a trade. They did lose it and did not establish a trade. I understand lately that Mr. Flavelle, who is at the head of that concern, was again discussing the possibility of establishing such a trade. His company is one with a large capital and a thorough understanding of the whole business, and if they cannot succeed there is no possibility of anyone else meeting with success. They are in a better position to succeed than anyone else would be.

A cordial and unanimous vote of thanks was accorded Mr. Ruddick for his address.

The committee adjourned.

Having read over the foregoing transcript of my evidence, I testify the same to be correct.

J. A. RUDDICK,  
*Dairy and Cold Storage Commissioner.*





## FRENCH CANADIAN CATTLE

HOUSE OF COMMONS,

COMMITTEE ROOM No. 34,

FRIDAY, MARCH 19, 1909.

The Select Standing Committee on Agriculture and Colonization met here this day at 11 o'clock a.m., Mr. Schell, Chairman, presiding.

The CHAIRMAN.—We are to have an address from Mr. J. H. Gridale on 'French Canadian Cattle' this morning. We are always pleased to hear him because he is a great authority on stock raising.

### THE FRENCH CANADIAN COW.

MR. GRIDALE.—Mr. Chairman and Gentlemen. The subject that I am to take up is one which has attracted considerable attention in this country of recent years and one which is, I think, destined to draw still more attention to itself in the near future in dairying parts of Canada.

It is probable that French cattle were first brought to Canada in or about the year 1620, some ten or twelve years after the founding of Quebec City. That the cattle first brought over were similar to those now found in many parts of the province is indicated by a passage in the memoirs of M. de Tracy, Intendant, and M. de Courcelles, Governor. These men were sent out in 1665 and brought with them some cattle. On reaching Quebec they reported finding cattle similar to those they brought, black and fawn in colour. Cattle of this colour were at that time to be found in Brittany and Normandy. In Brittany, some parts of Normandy, Jersey, Guernsey and Ireland are to be found even to-day cattle similar in many ways to those known here as French Canadian cattle. There is no doubt that these cattle in the different countries I have mentioned came from the same original stock since a strong similarity can be traced in all the breeds—French Canadians, Jerseys, Guernseys, Kerrys, Dexter Kerrys, and some breeds or strains of Normandy cattle.

To-day in Quebec province we find them the most commonly and almost as the sole breed of cattle in that part of the province along both shores of the St. Lawrence below Quebec City, and in the Lake of St. John district. Besides this they are to be found here and there throughout the counties west of Quebec city, some counties being especially remarkable for the large number of these cattle that are to be found on the farms. I might mention particularly in this connection the northern part of Berthier county in the district of Joliette.

The purebred herds of repute are not confined to any one district but are to be found even in the Eastern Townships, some in the counties south of Montreal, some north of Montreal and some as far north as Lake St. John. A description of these cattle could probably best be given by submitting the scale of points recently prepared by some of the best breeders and accepted I believe by the Association.

SCALE OF POINTS.

BULLS.

Dairy Temperament.

	Points.
Head.—Lean, masculine in appearance, and of fine contour.. . . .	3
Neck.—Rather long muscular and somewhat arched, proud and vigorous in bearing .. . . .	3 3
Shoulders.—Light and spare; withers sharp .. . . .	2
Crops.—High, straight and sharp .. . . .	3
Spine and Ribs.—Spine prominent, but not to same degree as in cow; vertebræ and ribs open spaced.. . . .	3 3
Thighs.—Thin and incurving; flank high .. . . .	2
Pelvic arch.—Prominent, strong and sharp .. . . .	1
Tail.—Long and tapering.. . . .	1
	20

Feeding Powers.

Barrel.—Depth from line of back to navel.. . . .	10
Length of body from shoulders to hook.. . . .	7
Breadth of body through middle .. . . .	6
Muzzle.—Broad; jaw strong .. . . .	2
	25

Disposition.

Eyes.—Large, prominent, bright, intelligent and placid .. . . .	3
Face.—Broad between eyes .. . . .	1
Movement of ears and body.—Rather slow, not restless .. . . .	1
	5

Quality.

Skin.—Loose, thin, mellow with fine soft hair .. . . .	6
Deep yellow in ears and on and around escutcheon.. . . .	4
	10

Dairy Indications.

Embryo teats.—Not less than four well developed embryo teats, well forward and well apart, with amplitude of skin on rear part of under- line .. . . .	3 2
Escutcheon.—High and wide .. . . .	2
	5

Constitution.

Chest.—Deep; wide through heart, full behind and a little above elbows large girth of chest .. . . .	6 2
Nostrils.—Large, open .. . . .	2
Loins.—Broad .. . . .	2
	10

Symmetry.

Horns.—Not large nor coarse; curved; black or black with white tips, or vice versa .. . . .	1 2
Legs.—Rather short, straight and well placed .. . . .	2
Colour.—Black, or dark brown, preferably with brown, fawn or cream coloured muzzle and brown, fawn or yellow stripe on back .. . . .	10

General Appearance.

Including style and movement .. . . .	12
	25
Total.. . . .	100

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## Cows.

*Dairy Temperament.*

Head.—Lean; long, feminine and refined in appearance .. . . .	3
Neck.—Thin; rather long, ewe-necked.. . . .	3
Shoulders.—Light and spare; withers sharp .. . . .	3
Crops.—High; straight and sharp .. . . .	3
Spine and ribs.—Spine prominent; vertebræ and ribs open spaced.. . .	3
Thighs.—Thin and incurving; flank high.. . . .	5
Hip joints and pin bones.—Sharp, angular .. . . .	2
Pelvic arch.—Prominent, strong and sharp.. . . .	2
Tail.—Long and tapering.. . . .	1
	<hr/>
	25

*Feeding Powers.*

Barrel.—Depth from line of back to navel .. . . .	10
Length of body from shoulders to hook joints .. . . .	7
Breadth of body through middle .. . . .	6
(Period of gestation to be considered.)	
Muzzle.—Broad; jaw strong .. . . .	2
	<hr/>
	25

*Mammary Organs.*

Udder.—Long, broad and deep, extending well forward and well up behind, well let down, but not pendulous; all quarters fully and symmetrically developed; fine and elastic; not fleshy; teats well placed and wide apart .. . . .	15
Teats.—Rather large; equal in size; not cone shaped.. . . .	2
Milk wells.—Numerous, large and far forward .. . . .	4
Milk veins and veins on udder.—Prominent and branching .. . . .	3
(Age to be considered.)	
Escutcheon.—High and wide with thigh ovals .. . . .	1
	<hr/>
	25

*Disposition.*

Eyes.—Large, prominent, bright, intelligent and placid .. . . .	3
Face.—Broad between eyes.. . . .	1
Movement of ears and body.—Rather slow not restless .. . . .	1
	<hr/>
	5

*Quality.*

Skin.—Loose, thin, mellow, with fine soft hair.. . . .	3
Deep yellow in ears and on and around escutcheon .. . . .	2
	<hr/>
	5

*Constitution.*

Chest.—Deep; wide through heart; full behind and a little above elbows, large girth of chest .. . . .	3
Nostrils.—Large, open.. . . .	1
Loins.—Broad .. . . .	1
	<hr/>
	5

*Symmetry.*

Horns.—Not large nor coarse; curved; black or black with white tips, or vice versa .. . . .	1
Legs.—Rather short; straight and well placed .. . . .	1
Colour.—Black or dark brown, preferably with brown, fawn or cream coloured muzzle, and brown, fawn or yellow stripe on the back .. .	2

*General Appearance.*

Including style and movement .. . . .	6
	<hr/>
	10
	<hr/>
Total .. . . .	100

I might further say a few words descriptive of the breed. To make things clearer, let me submit for your inspection a number of photos of our herd at the Central Experimental Farm and of groups or individuals from other herds.

The cattle are, as a rule, rather small, the head is generally speaking fine cut, rather short and broad in the forehead; eyes clear and bright, horns rather long, and slightly up-curved, white with dark points, the muzzle usually strong and surrounded with a fawn ring. This fawn ring is distinctive of the breed. To-day, also, we like to see a rather light shade or line along the back. The neck of the animal is, generally speaking, of good length, rather slight and firmly attached to the shoulders. The shoulder blades are closely attached to the body, back straight, the parts of the back, the vertebræ, well separated and the ribs well curving and widely separated. The cows are generally remarkable for good feeding qualities having a good big barrel and roomy digestive organs indicating their great capacity as machines for turning out milk. There is no tendency to lay on flesh in this breed and it must be distinctly understood that it is not a breed that is likely to be of much value for beef production. The udder is usually well attached but quite often irregular in shape, teats good. They are good handlers having nice mellow skin.

#### HISTORY OF THE BREED.

Continuing the history of the breed, I might say that till 1850 they were practically the only cattle to be found in Quebec. There were a few herds here and there near the large cities, of Ayrshires and Shorthorns, but very few indeed, and the average French Canadian farmer knew no other breed than his own little French Canadian cow. Of course, I must say too, that at that time not nearly so many cattle were kept in the province of Quebec as is the case to-day.

In 1853 the Council of Agriculture was organized in the province of Quebec and that council set about the work of discouraging the farmers in the breeding of these cattle and attempted to persuade them to introduce some of what they called the better dairy breeds. Ayrshires, Jerseys and Shorthorns were introduced, or attempted to be introduced, in all parts of the province under the direction of this Council of Agriculture. They effectually persuaded the French Canadian farmer that his French Canadian cow was utterly useless, so that by the year 1880 there was hardly a French Canadian in the province that thought enough of his cow to give her any more attention than he would to a dog. At this juncture however two or three men who were interested in the live stock of the country made a change in the line of effort.

These men were Mr. E. A. Barnard, Director of Agriculture for the province, Mr. S. Lesage, Deputy Minister of Agriculture, and along with these, Dr. J. A. Couture, whom doubtless you all know to a greater or less extent. These men in 1881 or thereabouts, started a campaign in favour of the French Canadian cow, trying to rehabilitate this animal in the favour of the people. They worked so assiduously that by the year 1886 they had managed to have a herd-book opened. This herd-book was held open for ten years for reception of foundation stock. Men travelled all through the province inspecting animals that were offered for entry by farmers here and there throughout Quebec and on the payment of a fee, these animals, if found to conform to the requirements of the herd-book, were admitted temporarily, at least, to enregistrement in the herd-book. They were reinspected a year or so later, especially in the case of females, to see if they were turning out as they had promised. Of course in the case of old females this matter of reinspection received less attention, but young cows and heifers, were again examined to see if they were producing according to promise.



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*By Hon. Mr. Fisher:*

Q. I think there was a rule that no female that had not produced ten pounds of butter in a week should be entered at a certain age?

A. Yes. I do not see it in the herd-book regulations at the present time, but I believe in the case of heifers they had to produce a certain amount of produce a day before they were accepted. That was the reason why they were inspected a second time.

At the end of the year 1896 the herd-book closed and since that time only such cattle as are direct descendants from animals registered previous to that date have been admitted for registration.

Since the inception of the effort to improve the breed in the province of Quebec a good many men have devoted considerable attention to it. I might mention particularly Dr. J. A. Couture, who organized the effort and has kept on urging or persuading farmers to make every effort to get their herds registered and to keep them registered up to date. He has also done all he could to get new men into the work. Since the beginning one of the greatest difficulties has been to get breeders to keep their herds registered up to date. Many men made a start, but since that time have been neglecting the registration of their animals. Dr. Couture has worked assiduously to get them to continue this registration.

Another man who made his mark in connection with this work, is Mr. Arsène Denis, of St. Norbert, Berthier county, Que. Mr. Denis has probably made greater progress in breeding French Canadian cattle than any other breeder in Canada or anywhere else. He has apparently a remarkable eye for what will give good results in breeding, and he discovered as it were and brought into use some of the most prepotent and strongly marked sires, that have ever been used in the breed. As two instances, I might mention the bulls Prince Elegant and Vainqueur.

These are two bulls which he found somewhere and brought into his herd. By using them he has done more to build up the breed than by any other single step that has ever been taken.

The Hon. Mr. Garneau took a prominent hand in this matter and did a great deal in advocating the interests of the breed. I do not know that he has done a great deal in breeding, he has had a small herd, but he did a great deal of advocating.

Mr. Louis Laval, of St. Guillaume, bred a very good herd and was one of the prominent men in the establishment of the herd-book.

Mr. Louis Thoin has one of the best herds in the province and is still working most industriously. He is a regular dairy farmer, not putting into it quite all the science or knowledge in breeding or in feeding that we might like to see, but still doing exceedingly good work. Amongst the photographs which have been distributed you will see a large one representing some cows from the herd of Mr. Louis Thoin. There are seven or eight of them, remarkably good specimens of the breed.

Then we have Mr. J. Dugas and his brother, Father Dugas, who have done a good deal in Joliette county to improve the breed.

Mr. G. Garceau, Trois-Rivières, Que., is a man especially worthy of notice at the present time. He is the only one who is making an effort to prove these cows to be a commercial success. The other men have been and are breeding largely from the average farmer's standpoint or from the showman's point of view trying to make the French Canadian cow pay her way and a little bit better. Mr. Garceau, however, is trying to see what she can do as a money maker. We receive records at the Experimental Farm from all over Canada showing how many gallons of milk and how many dollars worth have been produced by herds of Jerseys, Guernseys, Ayrshires, Holsteins or other breeds, and Mr. Garceau is doing the same thing with his herd of French Canadian cows. I might say that he has done well in this, as you will see in a few minutes when I give you some of the results.

Mr. L. P. Sylvestre is another man who has done a good deal to improve the breed. He is located at Acton Vale, Que., and has a very fine herd.

Between here and Montreal, at the Trappists Monastery, there is one of the best herds of the kind that can be found.

Mr. Guay, of Lake St. John district, also owns a very fine herd and another is owned by Les Sœurs Ursulines, Roberval. All these people have done excellent work.

Here is a letter from Mr. Garceau, which I think might be of interest to you. It is in French, but I will translate it:—

‘I am of the opinion that this cow is the best that can be used by the average farmer in the province of Quebec for the reason that she is the most easily kept, because she is the hardiest and because she consumes the least food for the amount of produce yielded.’

He says that when he started out with his herd a few years ago the average cow gave a yield of from 2,500 to 3,000 pounds of milk a year. Now his heifers give over 5,000 pounds and his aged cows from 7,000 to 9,000 pounds a year. This is the man I spoke of as building up his herd and making it a marked commercial success and who has not been satisfied just to keep on as the average farmer does.

#### SOME FAMOUS FAMILIES IN THE BREED.

Some of the most famous families in this breed are as already indicated descended from Prince Elegant, a bull that was discovered by Mr. Arsène Denis. This bull was used quite extensively and his progeny is spread all over Eastern Canada. After Mr. Denis had used him for some time he was shipped to the Lake St. John region, where he was again used for many years, so that there is no doubt that one-half of the stock of French Canadian cattle left to-day have more or less of Prince Elegant—56—blood in them.

To show you the extent to which this blood has been used; I have here an extended pedigree of a young bull, Prince Vigilant—885—that we have on the Experimental Farm; he was bred by Mr. T. B. Macaulay, a breeder in the county of Vaudreuil. He has on his dam's side the dam's sire Prince Elegant 2eme—758—by Prince Elegant—56—and four more crosses of Prince Elegant—56. Every sire but one on the dam's side is Prince Elegant—56—or Prince Elegant 2eme—758—showing the extent to which some men have tried to incorporate this blood on the breed. Now as the pedigree shows Prince Vigilant—885—is very remarkably inbred. He is, however, robust in spite of this apparent excessive in-breeding.

Another strain which has taken a prominent part in improving the breed is the Championne family. The Championnes have been bred and developed by Mr. Arsène Denis of St. Norbert. One of them was at the Pan-American coming out first or second there; and now females of this family are to be found all over, easily heading the list both as dairy cows and as show cows.

A family which seems to have originated in Two Mountains is called ‘La Fortune.’ We have one of this family and there are a number in different parts of Two Mountains, Vaudreuil and other counties. The Fortunes are remarkably heavy milkers but not remarkably goodlooking and not as smooth as they might be. One we have gave about 9,000 lbs. of milk in a year testing over 4 per cent. There have been several other quite remarkable families among them one called the Moody cow and another called the Rouen.

#### THE HERD-BOOK.

To give you some idea of the numerical progress made by the breed I might say that when the foundation herd-book was closed, December 31st, 1896, there were 5,307 cows and 922 bulls entered. By 1905 there had been registered 6,593 females and 746

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bulls. In 1906 there were 128 registrations, in 1907, 194 registrations and in 1908, 167 registrations. The first volume of the herd-book is about to appear. It will contain from 1,556 to 1,600 pedigrees.

The breed has been rather slow in increasing in numbers registered chiefly for the reason that there has been very little demand for the cows. Farmers neglect to register. Many of them appear to think that the only reasons there are for registering at all are to permit them to compete at exhibitions or once in a while when they sell a bull. Sales are not very frequent since the market is practically limited to their own province.

## MUCH PROGRESS MADE.

However, much progress has been made, speaking in a general way, in the breed. In the first place the type has been greatly improved by the use of such bulls as Vainqueur, Prince Elegant, Charlemagne and a number of others. A uniform class of dairy cow has been produced. If you will refer to the photographs handed round, you will notice that the animals are very uniform; uniform in colour, in type, in shape and in size.

It is generally supposed that the cow must be a very small one to be a true French Canadian. That is rather a mistaken idea for the reason that we have some large French Canadian cows; in fact most of our herd at the Central Experimental Farm consists of large individuals, particularly large ones. The smallness of certain cows in this breed is probably due to the environment of their ancestors for a few generations previous to the present one, or probably to the method of raising the calves, since poorly raised calves make small cows. However size is not always a criterion of quality since one of the smallest cows of the breed that we know of is one of the best. One small cow weighing only about 650 lb. has the reputation of giving over 11,000 lb. of milk in a year. I cannot vouch for the accuracy of this statement but it is given by Dr. Couture. I think he also is not very sure of the correctness of his figures.

## EFFECTS OF STARTING HERD-BOOK.

One effect of the establishment of the herd-book is that more care has been given to the cattle. They are now kept in better shape and are becoming heavier producers. Many new herds have been started, either from the reputation the cattle have already gained as producers or through curiosity quite a number of different countries have made importations of this breed. In our own country we have herds in New Brunswick, Ontario, Nova Scotia, Prince Edward Island, Manitoba, and a herd is at present I believe under consideration for British Columbia.

Quite a number of states through the Union have herds; in fact they have made such progress over there that there is a herd-book organized of which Mr. Colborne is secretary.

A number of our foremost men in Canada have lately established herds. Down in New Brunswick we have Sir William Van Horne and near Montreal, Sir Hugh Allan, the Hon. Lionel Guest and the Hon. Mr. Fisher. A number of other prominent men have taken hold of this breed with a view I suppose in some cases of having something unique, in other cases to see what they can do with the breed and to help it along. Macdonald College, Ste. Anne's, has a herd, and as you will see by the photographs we have a herd on the Experimental Farm which we will be very glad indeed to show you any time you care to come out. No matter how good a description or photographs may be one can never appreciate cattle till one sees them.



## HERD RECORDS.

Of course, the way to judge dairy cattle as a breed is by their records. I must admit that this is where the French Canadian breed is weak. We have not enough records behind the breed to give it a high status among the other dairy breeds. This is due, as I have already stated, to the fact that they are largely found in the hands of small farmers who do not make an effort, generally speaking to develop their herds.

But to show you that they are capable of good records let me cite a few instances. The first authentic test that I will give you is that of the Buffalo Pan-American. You are probably more or less familiar with these results, but I might just mention incidentally that five cows in less than six months—I think three weeks less than six months—gave 24,678·4 lb., an average of 4,935·7 lb. of milk per cow. The same five cows gave an average of 205 lb. of butter in that time. This is not a remarkable amount and a good many of the other breeds passed that, but where the Canadians had the advantage was in the economy of production. The cost of producing 100 lb. of butter or milk with these cattle was considerably less than with most of the other breeds.

The cost of feed to produce 100 lb. milk was as follows for the different breeds:—

French Canadians .. . . .	45.8 cents.
Jerseys .. . . .	51.0 “
Guernseys .. . . .	50.5 “
Ayrshires .. . . .	44.0 “
Holsteins .. . . .	41.0 “
Shorthorns .. . . .	54.0 “

The cost of feed to produce one pound butter was as follows for the different breeds:

French Canadian .. . . .	11.03 cents.
Jerseys .. . . .	13.16 “
Guernseys .. . . .	11.11 “
Ayrshires .. . . .	11.61 “
Holsteins .. . . .	13.18 “
Shorthorns .. . . .	14.22 “

From which it will be seen that while the French Canadians stood third in rank as cheap producers of milk, they easily stood first as cheap or economical producers of butter.

## INDIVIDUAL RECORDS AS TO MILK PRODUCTION.

Then we have individual records. Take the record of Fancy—6252—bred and owned by Mr. T. B. Macaulay of Vaudreuil County. This cow has found her way into the ‘Advanced Registry,’ the first report of which has just been published. She made a record of 7,425 $\frac{3}{4}$  lb. of milk showing 4·3 per cent of fat, giving 318 lb. of fat, equivalent to 375·05 lb. of butter in a year. The requirement for admission to the ‘Advanced Registry is 306 lb. of butter, so you will see that she was considerably above the registration requirements.

At the Experimental Farm where we have had these cattle for 6 or 7 years we have records made by quite a number of them. Here are a few:—

Fortune D’Oka, belonging to the Fortune family gave us 8,734 lb. of milk testing 4·66 per cent of fat or 468·60 lb. of butter in one year. I might just mention that this is the third highest record we have on the Farm where we keep Guernseys, Ayrshires and Shorthorns.



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*By Mr. Owen:—*

**Q.** Do you give them extra food or just the average food a cow would receive?

**A.** We feed our cows according to the milk they are producing. For instance we have one cow at present giving 60 pounds of milk. She is getting about 15 pounds of meal or about one pound of meal to four pounds of milk. This is our ration approximately. To continue with the records:

Zamora, a cow we got from the Lake St. John district gave us 7,694 pounds of milk testing 4.96 per cent of fat, or 448 pounds of butter in one year.

Exilee gave 8,628 pounds of milk testing 4.10 per cent of fat or 416.90 pounds of butter in one year.

Poupee gave 7,505 pounds of milk testing 4.0 per cent of fat, or 359 pounds of butter in one year.

Inoquette, a cow from Joliette, gave 6,479 pounds of milk testing 4.1 per cent of fat, showing 316.65 pounds of butter with her first calf. This is a good record, no matter what the breed might be, Ayrshire, Holstein or any other.

Duchesse 2eme gave 5,749 pounds of milk testing 4.4 per cent of fat giving 303.64 pounds of butter with her first calf.

Then there is the cow I mentioned a little while ago as being the smallest one of the breed that I know of. She is called Pruniere and is reported to have given 11,310 pounds of milk in 318 days and only 11 months between calves. I am inclined to take that with a grain of salt since I saw the ration that was supposed to have been consumed by the cow and it seemed to me quite inadequate.

## COST OF PRODUCTION.

Now as to the cost of production. The amount that the cow will produce is one thing; the cost of production is for the farmer another exceedingly important thing and quite another matter. I might make a cow produce 20 pounds of butter a week but it might be done at a loss or might be done at a profit. Now in comparison with other breeds on the Experimental Farm this cow can hold her own.

I have here the results for six years in comparison with Ayrshires, Guernseys and Shorthorns. In that period of time it has cost on the average 52.36 cents to produce 100 pounds of milk for the Ayrshire, 63.47 cents for the Guernsey, 68.47 cents for the Shorthorn and 57.64 cents for the French Canadian cow. You will see that in the cost of producing milk the French Canadian stands second. Now then in the case of butter. The cost of a pound of butter produced by the Ayrshires has been 11.38 cents; by the Guernseys, 10.97 cents; by the Shorthorns, 14.54 cents; and by the French Canadians, 10.84 cents. That you see is somewhat lower than any of the other breeds for butter. Some years our French Canadians made very much better records than that. One year they made a bad record due to a change in the date of the sitting of the House of Commons. That seems rather strange does it not, but that is how they came to make a bad record.

*By the Chairman:*

**Q.** Was it owing to the long session?

**A.** They changed the date of the sitting and we had to change the dates of the record. We had to leave out nine months. These were the best nine months for milk and the worst for feed and it changed the entire record for that year. Just to show how it affected them that year, it cost 78.90 cents to produce 100 pounds of milk and 14.40 cents to produce a pound of butter. Now the other breeds were similarly affected but not so seriously as in the case of the French Canadians.

In order to reach a basis of comparison we take the best three records of the year in each breed.

Now you will see that the French Canadian has held her own in comparison with these other breeds which are supposed by the average farmer and by the average French Canadian farmer, I regret to say, to be very much superior to the French Canadian cow. My experience is that as producers those other breeds are not at all superior to the French Canadian cow. I am not saying that the French Canadian cow is superior to them either, but I think she is worthy of a place in point of production with any of the other breeds.

RECORDS—KEPT BY FARMERS.

*By Mr. Owen:*

Q. Are the other breeds more hardy than the Canadian cow?

A. No. I will take that up in a minute. There are not many records kept by farmers, as I have already stated, and it has been difficult to persuade the breeders of these cattle to keep records. I have tried over and over again to get them to keep records, but have succeeded in inducing only one man to do it. Let me show you what that man has done. The man in question is Mr. Gédéon Garceau, Three Rivers, Que., whom I have already mentioned. Some eight years ago he was sending his milk to a cheese factory near his home, Pointe du Lac, and was getting from his cows somewhere between \$25 and \$30 a cow. He tried to get the factory people to pay according to the percentage of fat. They refused, and he accordingly kept his milk at home, made butter and sold it in Three Rivers. The first year he got over \$60 a cow for his butter. He kept this up, selling a little butter and a little cream until he obtained between \$80 and \$90 a cow. Last year he made up his mind to make his cows still more profitable, if possible, and sold all his cream in Three Rivers during the last 15 or 16 months. He tells me that his cows have made from \$120 'to \$150 a cow during the last year or an average of about \$135 a cow, which is a very creditable record, no matter what the breed. Of course, I might say that we have records of other breeds quite as good as that and probably better, but it is one of the best records that one could find anywhere. At the Experimental Farm, which is the only other herd that I know of that has a record—I suppose we will soon have a record from the Macdonald College herd—the butter sold at 24 cents last year. We had seven cows in milk, and taking one year's record they produced by the sale of butter \$77.48 per cow. Of these animals, five were cows and two heifers, so you see the return is a very creditable one. Of the individual records, Zamora is the best, with \$109.02, Fortune d'Oka came next with \$99.81, Poupee next with \$97.01, and Inoquette \$76. One of the heifers gave \$48.05, and the other \$44.54, and a young cow \$67.97. I think that for a young herd it is a very good record.

OBJECTIONS TO THE BREED.

Now, what are the objections, one might ask, to this breed? Why is it not more largely bred, why is it not more widely known, and why do the farmers who have it not make an effort to improve it and get more out of it than they do?

I think, in the first place, that we can attribute it somewhat to lack of fixity in type. We have not got the type quite fixed yet. The breeders are working on it, but it is very hard to fix a type in a breed like this, where a rather mixed lot was started with some ten or twelve years ago.

Then they are too easily kept. That sounds like rather an unusual statement, does it not, but it is true. They are too easily kept; that is, the farmers see them looking fairly well on very little feed, and they say, 'Oh, well, these cows don't want any more food, and we won't begin to give them any more.' So they give the Canadian cow enough to produce a certain amount of milk every day, but if they fed her better

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she would give much better response. Just to give you an example of what she can do. We purchased a cow from a farmer in the Lake St. John district six years ago. Since we have had her she has never produced less than \$100 worth of butter, and in six years she has given over \$600 worth. She has in addition given us five good calves and one rather poor one.

*By Mr. Sproule:*

Q. By extra feed you got a larger percentage of butter fat?

A. Not a larger percentage, but a larger amount of milk.

*By Mr. Wright:*

Q. What is the average cost of feed for a dollar's worth of results in butter?

A. Well, I just gave you that. The cost of a pound of butter with the Canadians was not quite 11 cents, 10.84 cents for food, the Guernsey 10.97, the Shorthorns 14.54 cents, and the Ayrshires 11.38 cents.

Q. In speaking of this cost, what do you take?

A. We take the feed, we allow nothing for the care.

Q. But on the pasture you allow something for that?

A. Yes, for everything they eat from straw to pasture, meal and everything; everything they eat is included.

## HINDRANCES TO PROGRESS IN DEVELOPMENT OF BREED.

There have been many difficulties surrounding the development of this breed. First, they had to overcome the evil reputation worked up against them during the 30 years of prejudice and official condemnation. The people during this period became of the opinion that the cattle were of no earthly use, that they might as well get rid of them, the sooner the better. They allowed them to go down, to become less productive and neglected them generally. It has taken probably 35 years to overcome that setback.

To-day we find the farmers making a change, they are doing better, but the change comes very slowly, since many of the herds are owned by farmers who are not quite what might be called first-class up-to-date dairy farmers. They are working away, however, doing the best they can, the best they know how. Until a few years ago they were almost exclusively grain and hay farmers. One does not learn to be a dairy farmer in two or three years. Unless one has a good chance, as at an agricultural college or some similar institution, it takes years and years to learn when one has to learn everything for one's self. The people were not used to live stock.

You cannot take a people that are unaccustomed to live stock and get them to love them, to treat them as they would their brother or better; that comes from long association with animals. The Scotchmen, the Englishmen and the old country Frenchmen have it, but our average French Canadian does not seem to have the quality highly developed yet. It is coming, however. I note here and there during the last ten years remarkable progress in this respect, but it comes slowly. In the past this lack has militated very materially against the growth and improvement of the breed.

Again, other breeds have got great records, and these records are well advertised. For instance, we have the Ayrshires, with 13,000, 14,000 and 15,000 pounds of milk, the Holsteins with records anywhere from 10,000 up to 27,450 pounds of milk in a year, whereas this little cow is giving the average farmer only 3,000 or 4,000 pounds. When he hears of such records he begins to sit up and take notice, and wonder what is the use of keeping the French Canadian cow anyway. But as I tell



them, and as I have been telling them this winter in different parts of Quebec that I have visited, if they had that 27,000-pound cow under their conditions, even she would be giving only four or five thousand pounds of milk a year, just as are the best of the French Canadian cows. It is the feed that makes the cow, not the breed alone, although the breed, of course, has something to do with it. The French Canadian cow has not much of a chance in the way of liberal and scientific feeding.

Of course, there is no doubt that the French Canadian cow does give a somewhat less yield of milk than do some of the other breeds, and for that reason the factory system in the province of Quebec has been one of the most effective enemies of the breed, for the reason that they pay for the milk according to weight. To the factory man a hundred pounds of milk is a hundred pounds of milk whether it has 5 per cent fat, 3 per cent fat, or 2½ per cent, no matter what it is, and the French Canadian cow has no chance against the Holstein or Ayrshire under such conditions. Some of the best farmers I know have given up the French Canadians for the reason that they simply could not compete as to quantity of milk with their neighbours who had Ayrshires and Holsteins, although had they been paid for their milk according to fat content they would have done quite as well, if not better, than many of their competitors.

Then, again, the field of expansion is comparatively limited. This breed is not known very widely outside of the province of Quebec. In spite of what I said about Japan and the different provinces, and a great many states taking up the breed, still these total up only a few, the market is very limited and the big breeders or dealers are the ones who get the advantage of the small demand there is, and reap the benefit; the small breeder, the average farmer, gets no benefit at all practically.

Then, again, there is the lack of herd records, and here is a most lamentable state of affairs. Such herd records must be made and advertised before the average farmer will appreciate what there is in the French Canadian cow.

#### THE STRONG POINTS OF THE BREED.

I have, during the last 10 or 12 years, in following the progress of this breed, sized up their good qualities about as follows:—

They are hardy, and what we call good doers. I have seldom heard of the French Canadian cow being sick. I suppose they do get sick and die or get killed, but they are very seldom sick. I must say this, that while we have not any more sickness amongst our animals than the average farmer, I do not remember ever having to dose a French Canadian cow; whereas sometimes we have to give a Shorthorn a dose of something or other, and the same with the Guernseys or Ayrshires. We find the French Canadians very hardy and every breeder who has them, especially those who have them along with other breeds, makes the same report that they are the hardiest breed they know.

In the second place, they are very easy to keep. They are easy to raise, they are easy feeders, gentle, easily milked and very cheaply raised.

They are good foragers on pasture. The Ayrshire and French Canadian are best foragers we have. I don't know that there is very much difference, but the French Canadian is quite as good, if not better, than the Ayrshire.

They are kindly and tractable. We very seldom find an irritable cow. Of course, we do not find many such in any other breed, but I can say as much about this breed.

They are sure breeders, probably on account of the province they come from, probably on account of the climate, probably on account of the surroundings, probably on account of the way in which they are kept. Anyway, they seldom miss getting in calf. We have never had a cow that failed to calve at the right time, and all breeders report the same thing. They are the surest breeders of any cattle that



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I know of. How prosperity will affect them, I don't know. Probably in a few years the way we are keeping our cows, under such prosperous conditions as maintained at the Experimental Farm, or as may obtain on other farms, we may find some sterility as we do in other breeds, but there has been no evidence of that as yet.

*By Mr. Fraser:*

Q. How do they compare in that respect with Highlanders?

A. We have no Highlanders at Ottawa. So I cannot say. We have had no experience with that breed at the Experimental Farm. I have seen them on their native heath a few times, but that is all I know of the breed. If the Highlanders are remarkable for fecundity, then they are like the Canadians.

The latter breed are easy to milk, they have good teats, and it is, generally speaking, a pleasure to sit down to milk one of this class. Very seldom is there any trouble with sore teats. There is one fault they have. Sometimes they have uneven udders, but the breeders are getting rid of that, and I expect the shape of the udders will be improved along with the other parts of the animal as breeders continue in their efforts at improvement.

Now, you will think that I have been trying to extol this class of cattle above all others. I am trying to give an appreciation of the breed, and I hope that nothing I have said will be taken as disparaging any other breeds. I think the French Canadians have a place, and their place, in my opinion, is for the butter-making industry. No matter where situated, butter-making districts can advantageously make use of this cow. In districts where hardiness is supposed to be a primary consideration, for instance, in the far northern parts of Saskatchewan and Alberta, and in the Peace River country, I have no doubt the French Canadian cow would thrive just as well as she would in the province of Quebec; they are the hardiest little animals I have ever seen.

Then where there is a cream trade they give a nicely coloured cream, and a large percentage of it. They give a rich milk for the amount of milk produced and the cream is easily separated from the milk. So the Canadian cow proves very satisfactory for a cream trade. Mr. Garceau tells me that in competition with Ayrshire and Holstein cream in Three Rivers he has no difficulty at all in holding his customers or in getting more when he needs them. Probably prejudice has something to do with it. In any case he has never had any trouble in obtaining new customers when he needed them.

Again, for a man who wants a small family cow, I know of nothing that would look more attractive, and be more gentle to handle, or that would be liked better by the children or the people around than a French Canadian cow. She is trim, tidy, easily handled, easily fed, easily milked, and a persistent milker. That is one point I have neglected. There is no breed that is more remarkable as a persistent milker than the Canadian cow. Just to give you an example. One cow having calved in the month of November produced 1,000 pounds of milk in the month of December, 1,000 pounds in the month of June, and approximately the same quantity for several months between. So you see there was persistency in milking. Almost all of the breed possess the same quality, although probably not to such a marked degree as that.

Of course, it is necessary that when a man is going in for the breeding of cattle he should breed the cattle he likes. He should not breed any class of cattle without first looking over the different breeds and picking the one he prefers, judging by the appearance or the qualities as far as he can find them, and then breeding such cattle because he likes them. There is no difficulty at all in getting the breed you most like and such a choice is necessary. Do not select the French Canadian breed of cattle just because you think it will be a good breed, but choose that breed if you

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like their appearance, and if you think you will like what they can do. I think that is all I have to say on this question.

*By Mr. Wright:*

Q. Is there any real difference between what you term Canadian cows and the other breeds in Ontario and Quebec or any other province?

A. When I speak of Canadian cows, I mean registered French Canadian cows.

Q. Registered?

A. Yes, that is what I mean all the way through.

Q. You are just registering them?

A. They must be of a certain type and must have a certain lineage before they will be accepted for registration.

Q. What I mean is in Ontario and Manitoba, for example, are they making a breed just the same as you are making a breed in Quebec out of ordinary cattle?

A. No, these are not ordinary cattle. Probably you were not here during the first part of my address. These cattle were imported in 1620, and for fifty years afterwards, from time to time, and they have been kept practically pure. They never had a herd-book until 1886. Then the herd-book was opened and these cattle registered. That is the way every herd-book has been started. Shorthorns are only Shorthorns because we keep breeding along certain lines; they were once grade cattle. The grade cattle of England are to-day Shorthorns, but not registered. It is the same with the Ayrshires. There are thousands of herds of Ayrshires that are pure bred that are not registered. The same with the Guernseys. More than half of the cattle on Guernsey island are not registered Guernseys.

*By the Chairman:*

Q. What is the prevailing colour?

A. Black and brown stripe down the back with a fawn ring around the muzzle, horns white with black points, or vice versa. Sometimes we find them inclining to brownness in colour. That is not against the regulations, but it is objectionable in appearance, and we are trying all we can to eliminate it.

*By Mr. Owen:*

Q. You think they would thrive in any part of the Dominion of Canada?

A. I think they would thrive in any part short of the North Pole, wherever there is grass.

*By Mr. Sproule:*

Q. In view of the ultimate destiny of cattle for beef, do you think that the French Canadian breed compares with the other breeds such as the Shorthorns or Herefords?

A. I have been talking of them as a purely dairy breed sort. They are no good for beef, although I have eaten some of the flesh, which tasted all right.

*By the Chairman:*

Q. The beef is just as good as that of the Holstein or Jersey, is it not?

A. Yes. All these animals give good flavoured beef. It is largely prejudice we have against them. Well fed Holstein or Ayrshire make very palatable beef, but it is not very profitable; that is why we don't feed them for beef.

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*By Mr. Thornton:*

Q. They would be easily made into beef if necessary?

A. Yes, they fatten up nicely. There is one in the group shown in one of the photographs that fattens too easily.

*By Mr. Russell:*

Q. About what would a cow weigh when she is in beef?

A. They vary in weight greatly. They run, I should say, from 650 to 1,100 pounds. We have one that weighs over 1,100 pounds when she is in good shape.

Q. Something like the Jersey?

A. Yes. Now, there is a cow with a very poor record (showing photo). She has a milk record of only about 5,000 pounds, but she was the champion show cow at the Pan-American. We took her for that reason, although I did not like her, because I did not think she was a good milker. But we were buying here and there, and the man who owned this cow urged us to take her, saying that she was the one that got the first prize. She has not been a good milker, and has never gone over 5,000 pounds. We have cows that run to 9,000 lbs.

*By Hon. Mr. Fisher:*

Q. What is her test?

A. 3·4 per cent, something like that. Her daughter, strange to say, is one of the heifers that made a good record with her first calf, doing between five and six thousand pounds, which we consider quite good. I think that she had been over-fitted and so spoilt. I have had similar experiences with cattle of other breeds. Over-fitting them spoils them for milk production.

*By the Chairman:*

Q. Do they give a very high percentage of butter fat all through?

A. They run around four, but very seldom below that, and from four to five is quite common. One cow we had went under four.

*By Mr. Sproule:*

Q. You would regard that as a very good record, would you not?

A. A very good record, yes. Still, our Shorthorns go about the same, the Ayrshires are a little lower, the Guernseys about the same and probably a little higher. The Guernseys sometimes go as high as six.

*By Mr. Clark (Red Deer):*

Q. These give weights a little over a thousand?

A. This one weighs a little over a thousand at the present time. That was taken a few days ago.

*By Mr. Fraser:*

Q. In comparing the French Canadian with the Jersey can you give us the points on which you think the Canadian is superior to the Jersey cow?

A. I am not saying she is superior; I have been trying to show that she is not necessarily inferior. The Canadian cow has been long considered to be inferior to the other breeds. What I am trying to do is to lead you gentlemen to consider them not an inferior class of animal, but to put them on a par with the other breeds. Now in comparison with the Jersey, she is rather smaller on the average, not very differ-



ent, however. She is a great deal hardier, a sure breeder, a hardier rustler, a better farmer's cow than the Jersey. I don't know what I can say very much more.

Q. As to disposition. Do you know anything of the disposition of a Jersey?

A. Well, I cannot say anything better in favour of the Canadian. We have had some one or two bad bulls, but it does not make any difference what breed it is you find bad bulls everywhere.

Q. How about the Ayrshire?

A. It is just as bad. We have an Ayrshire bull at the farm whose pen I would not care to enter. The Shorthorn is not so bad. The beef breeds are generally quiet and more phlegmatic.

Q. The way you started first you traced back the history to the Jersey or Guernsey Island, did you?

A. I believe Jersey and France were at one time one land, and one could walk across that channel on foot. It is very wide now, 18 or 20 miles wide. There is no doubt however, the cattle are of the same blood. The Jersey people never introduced any other, and they have been breeding for certain peculiar characteristics. The Frenchmen have allowed other stuff to come in, so that the progeny of their cattle at present differ quite materially from the French Canadian cattle, although we can see the connection even yet. But the Jersey, the Kerrys, the Dexter Kerrys and the Guernseys are similar in type and qualities, no doubt coming from the same parent stock away back in the middle ages or early days.

*By Hon. Mr. Fisher:*

Q. How would the cost of their butter compare with the Jersey butter, so far as you know in Canada?

A. I think about the same as Jersey butter. The Jerseys and Guernseys produce butter at about the same cost according to the figures I have seen. I have never had anything to do with Jerseys myself.

*By the Chairman:*

Q. Would not the milk have more casein in it if the butter fat was taken from it than that of the Jersey?

A. I don't think it; I am not prepared to say.

*By Mr. Fraser:*

Q. For cheese factory purposes, for the manufacture of cheese, would the Canadian cow compare favourably with the Ayrshire?

A. Do not take the French Canadian cow where you send the milk to the cheese factories, especially where the payment is according to weight; there is no use going into it. Many farmers were compelled to abandon the Canadian breed on that account in the province of Quebec. You cannot persuade the farmers there to be paid for their milk according to the fat content.

*By Hon. Mr. Fisher:*

Q. There are more factories in Quebec that pay for fat than any other part of Canada?

A. Yes, but there are a great many that don't pay according to fat.

Q. But the system has been adopted more in Quebec than anywhere else?

A. Yes, especially in butter-making districts, and Quebec is becoming more and more a creamery country. That is one reason why I think the French Canadian cow has a future in that province. It is a great little butter cow. As Quebec becomes more and more interested in butter-making, the French Canadian cow will have a



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better chance. When you go into butter-making you must pay according to fat for the milk, you cannot do anything else. They have tried it otherwise, but it has been a failure.

Q. Quebec produces more butter in proportion to cheese than any other province?

A. Yes, a great many factories in Quebec make butter in the winter and cheese in the summer. They are what is called combination factories. They exist in Ontario also.

*By the Chairman:*

Q. From your experiments you have found that the cost is less for a pound of milk than for any other breed, excepting Jerseys, have you not?

A. No, per pound of butter.

Q. Per pound of butter, I should say?

A. Yes, a little less than Guernseys. The Guernsey does the next best, and the Ayrshire and the Shorthorn next. Of course, we have only these four breeds. I have just given this table to have some standard of comparison to show them along with other breeds.

*By Mr. Smith (Middlesex):*

Q. You have found them to please under exceedingly good conditions as well as other dairy breeds?

A. Quite so.

Q. And they have the advantage of being hardier and give better returns when they are under conditions less favourable?

A. Yes, you see, they are smaller and require less food for maintenance so that when a farmer thinks he is giving them a good feed they generally have a little left over, seeing which many farmers think she requires less food. That is one point where she has the advantage over the other breeds in the province of Quebec, and I would say this also: The farmers in Quebec cannot get into their heads that they must feed heavier. Because the French Canadian cow has formed the habit of feeding lightly they think she ought to have only a handful of food and that ought to be enough for her, whereas if the same quantity was given to the Ayrshire or the Holstein they would starve.

A hearty vote of thanks was accorded to Mr. Grisdale for his address.

The committee adjourned.

Having read the foregoing transcript of my evidence, I testify the same to be correct.

J. H. GRISDALE,  
*Agriculturist.*



## THE APPLE TRADE OF CANADA.

HOUSE OF COMMONS,

COMMITTEE ROOM No. 34,

WEDNESDAY, April 14, 1909.

The Select Standing Committee on Agriculture and Colonization met here this day at 11 a.m., the Chairman, Mr. M. S. Schell, presiding.

The CHAIRMAN.—We have with us this morning Mr. McNeill, who will address us on the work of the Fruit Division under the heads: (1) The Fruit Marks Act (Inspection and Sale Act, part IX. (2) The Canadian Apple Industry, and (3) Co-operative Fruit Association.

Mr. McNEILL.—Mr. Chairman and Gentlemen of the Committee, you will notice in the Order Paper that I am down to give you what evidence I can with reference to the working of the Fruit Marks Act, and following that, will speak with reference to the Apple Industry generally, with some special reference to the development and advantages of Co-operative Fruit Associations. This, I think, will open up a subject to which you might very well give your earnest attention.

### THE FRUIT MARKS ACT IN 1908.

The Fruit Marks Act may, with profit, perhaps, be treated somewhat briefly. We have had fewer prosecutions this year than last year, and a better class of export apples. There have been comparatively few complaints from the large dealers in Great Britain. Do not misunderstand me, our apples are not packed and marked as they should be by any means, nevertheless, they are so much better than formerly and so much better than those of our competitors that the complaints are not numerous for this year. It would appear that the improvement in packing and grading has now reached the first period of its existence. Further improvement will take place under somewhat different conditions and perhaps with greater difficulties. We have made rapid improvement since the passing of the Act, many of the grosser defects have disappeared. Some of the least reputable of the dealers have gone out of the business, and those who are willing and anxious to be honest in their methods can now be so without pecuniary loss. This was pioneer work and has effected a most noticeable change. The rigid enforcement of the Fruit Marks Act will enable us to maintain this position; but for further improvement we must depend upon the slower and more difficult processes of education. Seventy-five per cent of our fruit is poorly grown, poorly packed, or both; but not more than fifteen per cent is packed and marked contrary to the law.

*By Mr. Owen:*

Q. Do I understand you to say that 75 or 80 per cent of the apples are inspected?

A. No, 75 or 80 per cent at least, are packed and marked as the law directs.

Q. What percentage of the whole are inspected?

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A. As no exact record can be taken of the total crop sold in packages, I can give you only an estimate. Probably not more than 4 or 5 per cent are actually inspected.

*By Mr. Armstrong:*

Q. If not more than 5 per cent are actually inspected how can you make the statement that 75 per cent are as good as any practical system of inspection can make them?

QUALITY OF APPLES SHIPPED TO THE NORTHWEST.

Q. I might ask at the same time, are the apples going to the northwest about as good in your opinion as they should be, and are the large dealers satisfied? I understand that the very opposite is the case, and I have letters from a great many who are not satisfied with the present working of the Fruit Marks Act.

A. What Mr. Armstrong says is perfectly true, and with proper explanation I think there is no difference of opinion between us with reference to the actual facts. When I say that 75 per cent of the apples are as good as we can expect them to be under any inspection, I mean the 75 per cent of the apples that go into the northwest, and perhaps even a larger proportion of the apples that go to the old country are such that there could be no fault found with them by the inspectors if they were actually examined. I make my estimate of the percentage of fruit that is not packed or marked contrary to law, by taking the actual number of packages that are examined by the inspectors as we get it in their daily reports and noting the proportion between the number wrong and the number right. This proportion is then applied to all the apples packed. Of course, this method gives only an estimate, as the inspectors examine so small a percentage of the whole pack. Nevertheless, I think it is a fair estimate.

I would not have you understand that there are no complaints as to our apples from dealers and others, and I am here to say that I believe too many of these complaints are well founded. Nevertheless, I would warn you that we are likely to hear all about the apples that are bad, but very little or nothing about the apples that are good, on the same principle that nine good citizens may attend church regularly every Sunday and otherwise lead exemplary lives, but let the tenth man attend the police court on compulsion but once, and you will find him honoured (?) with double headlines next morning. It is the same with apples. It is the ten per cent that we hear about. But we should not have even ten per cent wrong. I agree that there is room for much improvement in the apples sent to the northwest.

Q. It is not alone the merchants and consumers who are complaining. The co-operative associations which you so strongly advocate and which are doing such splendid work in growing and distributing fruit, speak very forcibly in favour of a more stringent enforcement of the present Inspection Act. They say that the small shippers are taking advantage of them at the present time.

A. There have been some complaints from one or two of the co-operative associations, to which I shall refer later on. These associations are grading very high, higher indeed than some of their members would grade if they were packing their own apples. It has happened that buyers have operated in orchards in the neighborhood of these associations, and it is alleged that they have packed a lower grade, thus taking a larger quantity of fruit than would be taken under the association grading. This has caused some friction but no serious trouble. Much of the lower grading practised by outside buyers was still not below the legal standard. It is not always possible to show to the satisfaction of co-operative association members, that the higher price which they get through the association more than offsets the



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smaller quantity of fruit taken from any particular orchard. The responsibility for the proper packing of apples is thrown upon the packer, and the staff of inspectors which we now have is for the purpose of detecting breaches of the Act, not for the purpose of overseeing the packing of any particular lot. Whether we have enough or more than enough for this purpose is a question. Mr. Armstrong says what is perfectly true, that some of these co-operative associations are urging that we have not enough inspectors to detect all the bad packing that is done.

## STAFF OF THE FRUIT DIVISION.

*By Mr. Blain:*

Q. In addition to your regular staff of inspectors you have some special officers performing inspection work. Will you explain their duties?

A. We have eight permanent inspectors and 13 temporary inspectors. The former are men who are so qualified that we can find employment for them during the whole year. The temporary inspectors are employed during the shipping season only. They have all proved good men.

Q. Are they supposed to go to any part of the country and drop in upon an apple packer and examine his fruit?

A. Yes, at any place.

Q. And do they prosecute that packer if he is not living up to the law?

A. They recommend a prosecution if they think one should be made.

Q. Then they are what is termed in the province of Ontario 'spotters'?

A. They do the work of detectives. They drop in at packing houses or orchards without notice. This is true particularly in those districts making a specialty of orcharding, and several prosecutions have arisen from examinations of the work of apple packers engaged in packing apples in the orchard and who were not aware that the inspectors were in the neighbourhood.

## PROSECUTIONS UNDER THE FRUIT MARKS ACT.

Q. May I ask, were many prosecutions instituted by these special inspectors last year?

A. Several. We had altogether last year 80 prosecutions under the Fruit Marks Act. Of this number 47 were in Ontario, 31 in Nova Scotia and 2 in Quebec. The province of Quebec does not export a great deal of fruit, consequently the number of prosecutions is not large. Many of these prosecutions, of course, originate in different parts of the country. For instance, inspections take place in the northwest, but they are credited to Ontario because the shippers live in that province.

*By Mr. Burrell:*

Q. How many of these prosecutions took place in the west, either in the prairie country or in British Columbia?

A. We have made no classification of the districts in which the prosecutions have originated, but not less than 15 or 20 have originated in the northwest.

Q. And that number includes the whole of the prairie section?

A. Yes, the whole of the prairie section.

Q. These are the two parts of the country, British Columbia and the prairie provinces, where an enormous importation of fruit takes place. I suppose they import ten times the amount that the rest of the country does. That seems to be an insufficient number of prosecutions considering what the facts are. However, perhaps you can take that matter up later on in your address?

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A. Yes, I will do so later on. We do not find that the imported fruit is offered for sale improperly graded or marked. Indeed the evidence we have shows it to be graded much better than the average of home grown fruit.

#### GRADING AND PACKING DONE BY CO-OPERATIVE ASSOCIATIONS.

*By Mr. Sealey:*

Q. What is the character of the grading, marking and packing done by the co-operative associations. The impression might be left from the discussion today, that the greatest defects exist in connection with the associations. From my own knowledge I think it is the other way?

A. You are quite correct. The co-operative associations do the best work. I have no hesitation in saying that the packing done by the co-operative associations is infinitely—I want to use a strong expression—better than the packing which is done by private individuals; and as a matter of policy, the sooner co-operative packing is adopted throughout the whole of the apple growing sections the better it will be.

#### EXPORT OF APPLES FROM PROVINCE OF QUEBEC.

*By Mr. Monk:*

Q. State approximately what percentage of the total quantity of apples exported from Canada comes from the province of Quebec?

A. No figures are available to show this. A comparatively small quantity of apples exported from Canada comes from Quebec. That province at the present time does not grow large quantities of apples that are exportable in barrels. If the Fameuse, McIntosh Red and a few other varieties were packed in boxes and carried in cold storage, a large quantity could be exported at a handsome profit. At present the province of Quebec does not export more than one-half of one per cent of the Canadian output.

*By Mr. Broder:*

Q. A great many of the apples exported from Ontario go from Quebec ports?

A. Yes, from Montreal.

#### LOCATION AND WORK OF FRUIT INSPECTORS.

*By Mr. Sproule:*

Q. You named two classes of inspectors, permanent inspectors and temporary inspectors. Are the permanent inspectors located in any particular place?

A. At the beginning of each shipping season we allot them a certain territory in apple districts. In Ontario one inspector is allotted to the Lake Huron district; another is detailed for the southern part of Ontario; a third takes the work in Toronto and Niagara district; a fourth, the Georgian Bay district, and a fifth the important territory north of Lake Ontario. Four inspectors are stationed at Montreal. There were last season 21 inspectors, 8 permanent and 13 temporary, and they examined during the year 425,980 packages.

Q. Do you mean that these inspectors actually opened that number of packages?

A. Yes. These were found in 337 lots containing 2,191,049 barrels. This is very fair work. I doubt very much whether you will find in any country, officials who work harder than our fruit inspectors. If any of you wish to test this, you can do so at the port of Montreal at any time, day or night, during the export season.

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I mention this in justice to the inspectors whose high character for intelligent industry and probity has gained for them the respect of all who have come in contact with them in the discharge of their duties.

*By Mr. Owen:*

Q. Please give me the names of the permanent inspectors?

A. Messrs. P. J. Carey, E. H. Wartman, F. L. Dery, G. H. Vroom, M. R. Baker, J. McCabe, Maxwell Smith and W. W. Brown. In the annual report of the Dairy Commissioner you will find a full list of all the men who were prosecuted during the year.

*By Mr. Armstrong:*

Q. What are you doing outside of the inspection work of the inspectors, to educate the people to conform to the Fruit Marks Act?

A. We are perhaps not doing all that might be expected if it were not thoroughly understood that the matter of education in all lines is left very largely to the provinces. To a certain extent we are employing the permanent inspection staff when there is no fruit to inspect, at fruit meetings held in different parts of the country. At the present moment Mr. Carey and Colonel Brown are engaged in holding a series of meetings in Oxford county, a very important apple district. There are other meetings planned.

## THE FRUIT MARKS ACT A SUCCESS.

Gentlemen, I have no hesitation in saying that the Act is working satisfactorily. One feature that may be of interest to you is that we receive a great many letters from the United States making inquiries as to the workings of the Fruit Marks Act. No less than five States are endeavouring to pass an Act similar to the Fruit Marks Act, and the American Pomological Society, the authority on pomological matters in America, have taken the matter into consideration. I was asked last year to give a paper before this society at Jamestown, Va. They passed a unanimous resolution commending the principle of the Act to the Federal government, and this resolution was sent on to Washington. I am informed that a Bill on the same lines as the Fruit Marks Act is to be brought before Congress. I mention this to show you that the Act is regarded as a step in advance of anything we have had before, and that it is working fairly satisfactorily; but it requires constant attention and constant watching in order that we may get the full benefit of it.

## CANADIAN APPLES IN BRITISH MARKETS.

*By Mr. Blain:*

Q. How do our apples compare, in respect to packing, with other apples that are competing with us in the British markets?

A. The Canadian apples in barrels stand at the head; western apples in boxes, of course, are ahead of the barrels again, so that we in Canada may be said to stand at the head in barrel apples. but barrel fruit stands below box fruit. By way of comparison we may take the apples of New York, Maine and other New England States, which send apples of similar varieties to those sent from Canada to compete with ours in the English markets. The Canadian apples are quoted usually at two shillings to three shillings per barrel higher on the general market than the apples from these States.

Q. But the American barrels are slightly smaller?



A. Yes, but this is only a partial explanation, the higher price is for the most part on account of the better quality and the greater confidence which the merchants and consumers of Great Britain have in our methods of packing.

Q. Is the demand increasing for apples in boxes in preference to barrels?

A. The demand is increasing for boxes, and the trade will tend in the future more towards boxes; but I do not hope ever to see the day when barrels will not be in demand in Great Britain, more especially for a second quality of fruit

*By Mr. Sproule:*

Q. About how much do the boxes hold?

A. About one-third of a barrel or one bushel.

#### BRITISH COLUMBIA AT NATIONAL FRUIT SHOW, SPOKANE.

*By Mr. Owen:*

Q. What do you mean by the Western States when you speak of the trade there?

A. The States on the Pacific slope. British Columbia is in the same section in the matter of fruit. They grow the same varieties and the same quality of fruit, and they pack it very much in the same way. Just here, while this particular phase of the question is up I will state, with your permission, some results in the fruit competition at the National fruit show in Spokane, where there were exhibits from all parts of the United States and from British Columbia, but none from Eastern Canada. That exhibition was held in the heart of the Pacific apple district where they claim they can grow the finest apples in the world, and where are packed the apples that command the highest prices in the Eastern States and in Great Britain. The largest individual winner. F. R. F. DeHart, of Kelowna, B.C., formerly of Oshawa, Ont., won \$4,400 in the aggregate. Wenatchee, Oregon, took second place in individual display. Mr. DeHart won first prize for best 10 boxes of Jonathans, first for best 10 boxes Northern Spys, first for best box packing, first for best barrel packing. 7 firsts in the plate exhibits out of 8 entries. He also won the silver cup awarded to the winner of the most first prizes.

Kelowna district (Mr. DeHart and J. Gibb in charge), captured the second prize on district display, Wenatchee valley winning first by three points (315 to 312).

Mr. DeHart had in all 43 boxes on exhibit. In box packing all three prizes went to British Columbia, Mr. DeHart first, Mrs. J. A. Smith, of Victoria, second, and Herbert W. Collins, of Grand Forks, third.

The best individual plate exhibit grown by a woman went to Mrs. E. Low, of Keremeos, B.C. Kalso won first and second prize for her famous Gravensteins Creston and Nelson each won 7 or 8 prizes in the plate exhibits.

The judges were representative of Iowa, Oregon, Washington, Montana and Idaho Agricultural College, with Maxwell Smith, D.F.I., of Vancouver, B.C., and Professor John Craig, of New York.

#### ROYAL HORTICULTURAL SHOW, LONDON, ENGLAND.

British Columbia, Ontario and Nova Scotia each received a medal, awarded for merit, at the exhibition of colonial fruit under the auspices of the Royal Horticultural Society of England.

I mention these facts to show that there is no doubt that Canada can produce the best of fruit, is going to produce it in larger quantities, and that she has, as we know, men who are fitted to take the first place in preparing that fruit for market. It is the business of the Provincial Legislature and the Parliament of Canada to



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see that the best facilities and the greatest encouragement possible is given this industry.

## THE INSPECTION OF IMPORTED FRUIT.

*By Mr. Burrell:*

Q. Are you leaving the Fruit Marks Act now, Mr. McNeill?

A. Yes.

Q. You have chiefly touched on one phase of the question, that is the inspection of home grown and home packed fruit, and fruit for export?

A. A prominent fruit grower in British Columbia writes me in regard to the inspection of imported fruit as follows:

‘What the fruit industry is in present need of is protection from American fruit by properly drawn amendments to the Fruit Marks Act and the requisite number of inspectors in charge of a general inspector with instructions in his hands to see that the law is enforced.’

I have another letter from the manager of the Coldstream Ranch. This ranch was founded by Lord Aberdeen some years ago, and from his present connection with it he is now, perhaps, more heavily interested in British Columbia fruit than any other individual in the province.

‘Let me point out to you that private individuals are not in a position to lay information and prosecute for violations of the Act that occur in the northwest. The breaking of the Act occurs in the northwest, and it is absurd to think that British Columbia people can take the matter up there. It is for the government who frame Acts to see that they are carried out, not the private individual. Unless the government puts on more inspectors and men that will carry the Act into force, the Act will remain a farce as it has been in regard to the American fruit. We feel very strongly in British Columbia about the subject, and shall leave no stone unturned to see that the fruit that is in competition with ours is subject to the same inspection.’

Now this opens up a very large phase of the subject. As I understand it, the object of the Department of Agriculture in putting this law on the statute book, was for the purpose of improving the grade and the packing of fruit for export so as to give our fruit a better name and a better standing in the old country market. If I gather correctly the department takes the stand that it should not undertake the business of training up people to properly pack their own fruit. That, of course, is a matter for discussion. I am not entering into the advisability or non-advisability of doing that. I admit that upon the fruit packers devolves the responsibility, to some extent, of living up to the provisions of the Act, but if it is a right principle to inspect the products of the British Columbia fruit growers to see that they enter the market properly, it is equally right that the products of their rivals in the United States upon entering this country should be inspected; in other words that American fruit growers should be compelled to live up to the Act in the same way as we are compelled to do. You have stated that the United States is so much in love with the Fruit Marks Act that it contemplates enacting a similar law. We have had a good deal of experience in the matter of competition from California, Oregon and Washington, and the province of British Columbia has passed legislation for the purpose of strictly excluding fruit which is infested in any way, that being a subject which is under the control of the Provincial Legislature. We find that while California, Oregon and Washington will pass the most stringent Acts for the purpose of preventing the sale or distribution of infested fruit in their own markets, they are particularly lax in regard to the exportation of such fruit to this country. The consequence is that a very inferior class of fruit which they keep out

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of their own markets is being dumped on to the markets of this country. We take this ground very strongly, and I hope you will be able to impress it upon Mr. Fisher as strongly as we have been able to do in the House and outside, that it is absolutely essential that our American competitor should not be allowed to enter our markets unless he complies with the same requirements that we have to live up to. As to the question of instituting prosecutions, I think that is the duty of the government. I do not think that responsibility should be allowed to fall upon a private individual; in my experience the private individual never does do that. We have again and again proved to the satisfaction, I think, of the minister, that large shipments of improper fruit have been coming into this country and the inspectors find themselves absolutely inadequate to cope with them. The fruit growers in British Columbia are, therefore, in this position: We are cut out of the prices that we should receive in our own markets, by secondary stuff from the United States which is marked as first class fruit by the local dealers. This inferior fruit coming from the United States is marked by them as No. 1. The dealer is the man you must get after. You cannot control the American grower. I think we are absolutely justified in asking to have the protection of the law as far as our foreign competitors are concerned. The consumer on the prairie, also, has a right to demand that the fruit shall be marked in exact accordance with its character as put up in the box. He has a right to get what he pays for. Now, if I understand you correctly, you said that your inspectors had inspected about 225,000 packages, and that would represent 7,000 actual lots?

A. Yes.

Q. That would mean that your inspectors are in the habit of opening on the average about 40 packages in each block. That, I think, is fair. For instance, if you come to a carload of apples which contains from 550 to 600 boxes, I should judge from my own experience that the opening of 40 of these would be a fair guarantee that the whole consignment was as represented. Going into one carload and opening 40 boxes takes time, and when we remember that on the Winnipeg market alone there were 150 carloads from the other side, shipped last year, you can understand with only one inspector for Winnipeg and two inspectors for the whole of Manitoba, Saskatchewan and Alberta, it would be absolutely impossible for them to cope with that work even if they only dealt with a part of these importations. We have proved again and again that these importations are coming in in a way that is hopelessly contrary to the Fruit Marks Act to which we are compelled to live up. I feel in the very strongest way about this, whatever may be your view and the view of the minister about teaching our own packers. You may be right. I am not discussing that; but it is an absolute necessity that the government should see that our foreign rivals should be compelled to observe this Act just as we are compelled to do ourselves.

Mr. BRODER.—It is the consumer that is in fault.

Mr. BURRELL.—The consumer will not take the trouble to lay an information for a prosecution.

Mr. BRODER.—Is he not able to discriminate between a poor article and a good one?

Mr. BURRELL.—Very often he is not. But the American is a splendid packer. The fruit from the other side comes in splendidly packed and until you examine that fruit you would not notice that it is far below the requirements of the Fruit Marks Act as regard insect pests and the quality of the fruit. Examine the box at the top and at the bottom. Apparently, as far as you can see, it is perfect fruit; but if you look carefully into the box you would find that such is not the case. The American packers ship their first class fruit for which they get \$2 and \$1.50 from Hood River, Yakima Valley and Wenatchee Valley, not to us but to other parts of

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the United States. It is the second class stuff which they ship to us for 65 and 70 cents. The wholesale dealers mark that inferior fruit as No. 1 and it is sold in competition with our No. 1 when it should be marked as No. 2.

Mr. McNEILL.—I quite agree with many of the principles advocated by Mr. Burrell and can heartily concur in what he recommends for the enforcement of the Fruit Marks Act. As a matter of fact, he is labouring under a misapprehension regarding the scope of the Fruit Marks Act and I feel certain he has not fully informed himself with reference to the methods of enforcing the Act, nor the results of the work of the Dominion Fruit Inspectors as shown in their reports. He is influenced, possibly, by a few cases that are not typical and by correspondents who most naturally will look at circumstances from one side only. Mr. Burrell and the correspondents he quotes appear to be under the impression that the enforcement of the Act is left to private individuals. Such is not the case. But the Honourable the Minister of Agriculture in framing the Act, and parliament in passing it, very wisely made it possible for anyone, cognizant of a violation, to lay an information against the offender. But the principle is conceded that the government should use more than ordinary means to enforce the Act. Hence the organization of a staff of twenty inspectors working most effectually throughout the Dominion.

## IMPORTED FRUIT SUBJECT TO PROVISIONS OF FRUIT MARKS ACT.

In the correspondence submitted by Mr. Burrell and apparently in his own mind, there is the assumption that American fruit is not subject to the same system of grading and grade marks as that prescribed for home grown fruit. I agree with him, that if this were the case it would constitute a serious grievance. But such is not the case. The imported fruit package has to have precisely the same marks when it reaches the consumer as the home grown fruit, with this difference, that the name of the importer is substituted for the packer. This change is necessary as we cannot reach the foreign packer; but we can reach most effectively the Canadian importer. This change instead of working in favour of the American grower, works directly against him, because it concentrates the inspection work at a few points. Of the 19,852 packages of apples that came into British Columbia the present season up to December 31, 1908, 16,572 came into Vancouver and Victoria, and if we take out the 2,208 that came in at Nelson, it leaves less than a thousand boxes for all the rest of British Columbia. Where then should an inspector be placed to inspect most effectively American fruit? Most assuredly just where we have placed him at Vancouver where he can reach without difficulty all the imported fruit that comes into British Columbia except something less than four thousand boxes.

Another complaint is that the country is flooded with second quality American fruit. Some second quality does come in, but it is only a small per cent of the whole, and when so marked by the first importer no exception can be taken to it.

To the discredit of the fruit growers of Canada I regret to say that all the evidence we have from consumers, merchants and our inspectors shows that the imported American fruit on the average is better packed, more uniform in size and appearance and freer from defects than the home grown fruit. The very stringent laws in force in British Columbia against fruit pests will prevent low grade fruit in any quantity entering that province. Out of every hundred packages of American fruit coming into the northwest provinces, ninety-five are correctly marked as required by the Fruit Marks Act, and of those marked, less than one per cent were found wrongly marked. I regret that we cannot equal this record in Canadian fruit. This disposes, I think, of the assertion that large quantities of low grade fruit are coming into Canada.

To sum up my answer to Mr. Burrell's questions regarding American fruit, I will say that:



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(1st.) Imported fruit is subject to the same grading and marks as home grown fruit;

(2nd.) That all the evidence in my possession including that of consumers, merchants and inspectors in the northwest, shows that the packages are, with a few exceptions, properly graded and marked;

(3rd.) That imported fruit on the average is better in quality and better packed than home grown fruit.

That more packages could be examined and more violations could be discovered with a larger staff goes without saying. The question of appointing more inspectors is, of course, a matter for the consideration of the minister when he has all the facts before him.

*By Mr. Burrell:*

Q. Did you read the discussion in the House?

A. Yes.

*By Mr. Owen:*

Q. How long has Mr. Brown been a member of the permanent staff?

A. He was working all last year and he is on this year. He received his first appointment last year. He took the place of Mr. Philp who died suddenly at Winnipeg.

*By Mr. Chisholm (Huron):*

Q. Why should not the apples from the United States be subject to the same inspection as our apples?

A. They should be and are absolutely subject to the same regulations—do not misunderstand me.

*By Mr. Burrell:*

Q. I do not say that they are not subject to the same regulation; but is that provision enforced?

A. Quite as well as in the case of home grown fruit.

Q. You cannot say that the regulations are enforced?

A. The laws against murder will not prevent an occasional murder, and I quite admit there are occasional violations, but the violations are not more numerous than in the case of home grown fruit. As a matter of fact, less than one per cent has been discovered seriously wrong. It will be very difficult to get a much closer conformity to the law. The American box is preferred, too, because it usually contains a greater weight of fruit.

#### THE WEIGHT OF BOXED APPLES.

*By Mr. Burrell:*

Q. How do the Americans get more in their boxes? We use the large standard box 20 by 10 by 11; the California is the only box that is larger?

A. These are only a few cubic inches smaller.

Q. 27 cubic inches less?

A. That would be about the space occupied by three fair-sized apples; but the Americans are the better packers. They put more pounds' weight of fruit in the same sized box.

Q. I think, Mr. McNeill, it is simply a matter of a man wanting to get a certain amount in the box. We employ a lot of packers from Washington in British



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Columbia, and I have here a letter from a firm who are employing a packer from Oregon?

A. They are excellent packers. The Department of Agriculture employed one from the Okanagan Valley. To illustrate one feature of good and bad packing, he emptied a box well packed by himself and repacked the same box with the same apples, looking equally full but leaving out about one-fourth of the fruit. This box, however, would not stand up to ship well. It would soon go slack on the journey and so be rejected by the importer. The most skilful packer is the one who can get the most fruit in the box as such packages will reach their destination tight. One of the gravest faults of the beginner is that he does not get the proper quantity of apples into the boxes. Only the expert packer can do that.

By Mr. Broder:

Q. He cannot fill the box with less apples than the box will hold?

A. He can arrange the apples in the box to look full and weigh 55 pounds or with a different arrangement of the part of the same apples he makes the box look equally full and yet only weigh 50 pounds or even less. It is want of skill and not fraudulent intent that makes the British Columbia box sometimes lighter than the American.

By Mr. Sproule:

Q. There is also the trouble that the smaller the apples are the greater the number that will go into the box?

A. Yes, that is so. It is also true that a 2½ tier box is lighter than a 5 tier box though both are equally well packed.

By Mr. Burrell:

Q. I would just like to speak in regard to this statement that has been made by some of the dealers. You have to remember that a great many of those dealers, as you know, are practically American firms, and it is to their interest to a large extent to develop that trade. When they have a big crop and their own market is somewhat demoralized they want to ship their fruit into Canada in order to keep up their own prices; but I do not think there is any such variation in the weight as you have mentioned. We have tested a carload of Washington apples and they varied from 43 to 51 pounds, and if you take a carload of our own apples you will find about the same variation. I do not believe that in the average pack there is any difference?

A. Is it not a fact that British Columbia apples are carried by the railways on a basis of 40 to 45 pounds, gross weight, while Washington stocks are carried on a basis of 50 to 52 pounds gross weight?

## CANADIAN FRUIT GROWERS AND THE NORTHWEST TRADE.

Under the circumstances it will be only fair for me to say to the committee, that in addition to a letter similar in statements to those read by Mr. Burrell, we have received many of a different tenor of which the following extract from a letter written by Cloy & Simmons, Calgary, is a sample: 'The principal thing that British Columbia growers have to do is to get down to a system of packing and shipping stocks which will compete with Washington and Idaho packs. At present there is no comparison, as American shippers' stocks are so far ahead regarding packs that they practically close out British Columbia shippers. It is not a question of freight or duty—it is a question of quality and pack, and outside of the British

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Columbia firms that we have mentioned above, we have seen very few packs that are worth mentioning.

We are in favour of handling Canadian goods; but it is simply a matter of business; they must first educate themselves to pack correctly and mark their packages exactly what same contain. The provinces of Alberta and Saskatchewan are not fruit producing provinces, but they are very particular as to the class of goods which they handle, and it is quality and value that counts with the wholesaler, the retailer, and the consumer, and these three outlets should be protected as well as the grower.

So far as inferior stocks are concerned, such as seconds or cookers, we speak with authority when we claim that there is nothing but high class goods come from American points to Alberta, and as we have heard it reported that Canadian points were the dumping ground of second grade American fruits, we wish to state that this is an absolute falsehood so far as Alberta points are concerned. We find that British Columbia growers endeavour to ship their first class stocks to Australia, New Zealand and Great Britain, and try to force an inferior class of goods on our market and they have no particular kick coming on American shippers as our trade wants nothing but first class goods, and these the American market supply us with. We are willing to do all we can to sell Canadian goods and encourage Canadian growers, but we would point out the fact that they must first put their goods on the market in such shape that they can compete with aggressive competition.'

Now, to close this part of the subject, may I not suggest that we should hear from the consumer in the great northwest as well as from the growers in Ontario and British Columbia?

#### THE MARKING OF IMPORTED FRUIT.

*By Mr. McIntyre (Strathcona):*

Q. Whose duty is it to place the marks on the packages of fruit?

A. It is the duty of the packer if the goods are packed in Canada, and the importer if the goods are foreign.

Q. Where are those marks placed on the package?

A. The Act says that the marks shall be placed by the person who owns the apples at the time of packing before it leaves the premises, the meaning of premises being extended to include the shipping station.

Q. Then it would be an infringement of the Act in the case of a carload of apples shipped from the Okanagan valley to have the marks placed on the packages of fruit as they were taken out of the car and handed over to the consumer so to speak?

A. That would be an infringement of the Act.

Q. I may inform you that that is repeatedly done in the province of Alberta?

Mr. BURRELL.—Where does the fruit come from?

Mr. MCINTYRE (Strathcona).—I could not say. I am only giving an instance.

Mr. MCNEILL.—It comes from some part of British Columbia.

Mr. MCINTYRE (Strathcona).—Some person is sent with a carload of fruit that is shipped to the northwest. I do not know where it comes from.

Mr. BURRELL.—Do you mean it comes from British Columbia?

Mr. MCINTYRE (Strathcona).—It may come from British Columbia.

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Mr. BURRELL.—I don't think so, as all our boxes are bought stamped at the factory.

Mr. McINTYRE (Strathcona).—You may know more about this subject than I do. I am only making this statement. The person in charge of the fruit when the car is opened at the point of destination has the fruit loaded on the drays, and as he does so places the marks on the boxes.

Mr. BURRELL.—I am pretty well convinced that the practice you speak of is very largely followed in the case of foreign fruit. The point you raise is a very important one, and I think we are both in agreement. We British Columbia fruit growers have to undertake the responsibility of marking fruit ourselves. Every grower has to have his name on each box of fruit which he sends out, in half-inch letters, also the variety and the grade. This fruit we are complaining of comes in from the other side innocent of any such marking. I have seen it come into one town in a mining district without any marking. No one could say where it was grown or who the packer was. The local dealer puts in the mark in the case of this fruit, and a person, perhaps 100 miles away, has the burden imposed upon him of exposing that man. Under the circumstances private individuals will never undertake this duty, and what we want is a more stringent law, and one that will not leave the consumer or the private individual to see that its provisions are carried out.

Now, with reference to the distribution of this inferior fruit in Alberta: If you had read the debate in the House, March 26, you would have seen that we produced the strongest evidence we could possibly get from official sources to show that there was absolutely no first-class fruit shipped to the northwest from the other side, but that it was second-class stuff shipped in under a first-class brand. We have any amount of evidence of that character. Not only that, but Mr. Ross in his declaration swore that the Americans were shipping second-class fruit for 65 cents f.o.b. When that fruit reaches its destination the wholesale dealers, as Dr. McIntyre says, take it out of the car and mark it as No. 1 brand. The government should see that the Act is lived up to as far as our American competitors are concerned.

Mr. McNEILL.—American boxes like British Columbia boxes are stamped with a die at the factory with all permanent marks. The packer has rubber stamps with which he marks the name of the variety, the size of the apple (in tiers) and the number in the box. This, together with the permanent marks on the box, gives all the facts required by the Fruit Marks Act and more. But the information is not put in the form required. Usually all the importing merchant has to do is to stamp his own name and No. 1 or No. 2, as the case requires. The merchant being as much a responsible party for imported fruit as the packer is for Canadian fruit, and as he is much easier to reach, it is actually easier to prevent fraud in imported fruit than in home fruit where in practice we do not hold the merchant handling it responsible as we do for imported fruit. The person seen by Dr. McIntyre marking boxes in Calgary was in all probability the importer of foreign fruit. It would go to show that he knew the law in that case and was following it.

*By Mr. Armstrong:*

Q. I would like to read a few lines from a letter written by Mr. Johnson, of Forest. From the Grimsby district alone 30 to 40 carloads of fruit go out in a day. Yet we have only one inspector for Toronto and the district to the Niagara river attempting to inspect all the fruit going out. This is absurd. Mr. Johnson says:

'I have no hesitation in saying that the inspection that is now given is of no use to the fruit industry, and if the Fruit Marks Act is not better enforced we would be far better without it.'



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That is from the president of the Forest Fruit Growers' Co-operative Association. I might go on and give you statistics, but I know that you realize the importance of this question ?

A. Mr. Johnson is strongly in favour of the Fruit Marks Act, but forgets, for the moment, that the fruit which he sees fraudulently packed by operators in his district, is liable to be examined in transit or at the point of consumption. As a matter of fact, at least two dealers working in his district were each fined twice this season, but, of course, Mr. Johnson did not know at the time of writing that this was being done.

Q. He did not make the statement that the Fruit Marks Act was no good, but that as at present carried on it is of no use.

*By Mr. Gordon (Kent):*

Q. The object of having inspectors is for the purpose of enforcing the law?

A. Yes.

Q. Then a whole army would not be sufficient to prevent every violation.

#### EDUCATION THE SOURCE OF IMPROVEMENT.

A. Twenty more inspectors would not make the improvement in the industry made by the present staff. For the future, more dependance must be placed on education. Coercion can do something, but the real solution of the difficulty lies in the education of the fruit growers and the packers. The great majority of them are now doing as well as the law requires; but we want them to do much better than the law requires. Here coercion will not help us. It is a case rather for persuasion.

#### THE NORTHWEST CONSUMERS POINT OF VIEW.

Mr. McINTYRE (Strathecona).—Before you proceed with another branch of the subject, let me say that I am perfectly in sympathy with what Mr. Burrell has said regarding the more strict enforcement of the law. My only method of discussing this matter is purely and simply from the consumers' standpoint in the province of Alberta. I do not know whether the inferior fruit comes from the Okanagan valley, the province of Ontario or the United States, but I do know that we have a great deal of fruit sent into that country that is not of the highest quality.

Mr. McNEILL.—I agree with you.

Mr. McINTYRE (Strathecona).—That applies to the smaller fruits particularly. We have it put up in a shape that does not reflect very great credit on the growers or the packers. I would ask, Mr. McNeill, that your inspectors try in some way to have the fruit examined at central points as you suggest, or in certain districts when this fruit leaves the grower or as soon as possible afterwards, so that its condition at that particular point shall be sound and that the people in the west shall get value for their money. As you stated before, we are willing to pay for our fruit in that country, but we want it good.

Mr. SCHAFFNER.—I would like to emphasize, after a very great deal of experience in fruit, what Dr. McIntyre has said. Most of the fruit that comes into our section of the country comes from the United States. It is early fruit, and with regard to it I have practically no complaint to make. The complaint that I have to make is with regard to the fruit from Ontario that comes in barrels. I asked the question a few moments ago how we are going to get at those packers? I quite agree that it will be absolutely impossible to have sufficient inspectors at the point



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of shipment to inspect all this fruit in order that it may reach the consumer in proper condition. There is, however, something decidedly wrong in the way in which the shippers of Ontario are packing their fruit and sending it to Manitoba. What I want to know is how we are to get after these men. I come originally from the Annapolis valley, where they can grow the best of fruit. I do not know how the fruit growers have progressed morally in recent years, but I do know that when I was home on the farm my father thought it was exceedingly dishonourable to put up poor fruit; but I am afraid there has been a falling from grace in this fruit business. Fruit is now going into Manitoba in a disreputable condition, which, in my opinion, is bad alike for the shipper and the grower.

*By Mr. Sealey:*

Q. We can scarcely expect to have an inspector for every barrel or for every orchard, but if a condition such as Mr. McIntyre has mentioned exists, and instances occur as frequently as they are said to, it would not be very much trouble for the persons who are aggrieved to drop a postal card to the inspector informing him that at a certain point such a condition of affairs exist.

Mr. MCINTYRE (Strathcona).—You do not understand the distances in our country. It may be several hundred miles away.

Mr. BURRELL.—You understand there are two inspectors for the whole of the prairie country, Manitoba, Saskatchewan and Alberta, and when you realize the extent of that territory you will agree, I think, that it is absolutely impossible for those men to cover the work properly. We ask for only four inspectors.

Mr. BRODER.—Supposing these apples are inspected at the point of shipment, are you going to have them re-inspected up there in the west? Is a man who has had them inspected in his orchard to be held responsible for the condition of the apple when you eat it in the northwest? I do not think it should be so; he ought to be released somewhere from his responsibility.

A. As the members of the committee can readily see, the subject is a very complicated one. There is a large quantity of fruit which reaches the northwest in good condition, but as Dr. Schaffner and Dr. McIntyre have suggested the fruit growers and shippers have much yet to learn in growing, packing and distributing the fruit in proper condition.

## THE CAUSES OF THE POOR FRUIT IN THE NORTHWEST.

*By Mr. Sproule:*

Q. Is that due to careless packing and poor selection of apples entirely, or would it not be partly due to damage sustained in transportation?

A. No single cause can be assigned. Careless packing and poor grading account for many of the evils complained of. The railways are to blame for the bad condition of many barrels. Tens of thousands of dollars of easily preventable loss can be laid at their door. But perhaps the greatest of all evils is the system of selling and harvesting now in vogue. If the present foolish system could be replaced by co-operative methods nearly all the greater obstacles would disappear. Since you have decided to call me to-morrow, I will reserve the subject of co-operative associations till then. I may say here, however, that notwithstanding the closest examination we found defective marking and grading in only one or two instances and those in societies not yet properly organized. In the older associations such as Forest, Chatham, Oshawa and Simcoe, not even a single barrel has been found

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wrong. Not only is the packing and grading well done, but their organization has enabled them to ship promptly when they could not have secured cars as private shippers.

Just here let me say that the railways are responsible for much of the bad fruit that goes to the northwest. The growers have their failings, and they are many. Many of the itinerant apple buyers are little better than parasites on the industry, and even the reputable apple operator makes sad mistakes, but none of them are as great or as persistent sinners as the railway companies. They have neither the terminal facilities, rolling stock nor train arrangements to suit the trade, and as a consequence thousands of dollars are lost to the country through a policy of petty economy that must result in a loss ultimately to the railways themselves. I have investigated cases this year where the fruit was delivered at the station and where it remained without protection from sun or rain for two weeks waiting for cars. To make matters worse the barrels had been packed for some days before that. The railway journey should have occupied five or six days. It actually took ten days. To complete the misery they could not be readily sold in Winnipeg and remained on the siding three days till a sale was made farther west, the final destination being reached some days later. Here, of course, the railways are not the sole delinquents; but they are the chief sinners and for whom there is little or no excuse.

*By Mr. Chisholm (Huron):*

Q. Do you not think that if men were accustomed to having their fruit properly inspected and were instructed in the methods of packing and cooling and carrying the fruit, you would avoid all this ignorance on the part of the people?

A. That is very true.

Q. I think the inspector should be sent right to the orchard to instruct the packers with regard to that matter so that they would know how to pack apples and how to ship them?

A. This is one of the reasons why I so strongly advocate co-operative associations. The farmers cannot cool their fruit individually, in a practical way, because it would cost too much; but they can do so if they unite into these co-operative associations as some have done. The individual education which Dr. Chisholm recommends can be given much more effectually by the managers of the association than by inspectors. It is being done already.

*By Mr. Chisholm (Huron):*

Q. The trouble is the people do not understand that the fruit requires cooling. They ought to be specially instructed?

A. Something is being done to this end; but educational questions are, for the most part, left with the provinces. We should endeavour to impress the provincial authorities with the necessity of a wider education upon this subject, and I am sure the hon. the Minister of Agriculture will be glad to accept any suggestion you may make as to how his department can help. I believe there is no industry we have on the farm to-day that is so important to certain large sections of Canada as the apple industry.

MR. BURRELL.—I omitted to read one passage in the letter of Mr. Agur which I am anxious to put on record before leaving this matter. It is as follows:—

‘Have we any hopes of the Fruit Marks Act being amended to cover the requirements? If not, we are up against an impossible proposition. The wording we spoke of before you left has been a good thing to be on the boxes to be in the Act, that is the name of the country exporting the fruit to be on the box in large

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letters, thus: 'Fruit from the United States of America.' This was driven home when I was in Victoria a few days ago. I stopped in front of a fruiterer's window, a couple of boxes of apples of 'Mr. Earl's of Lytton.'

That is one of our best packers in British Columbia—'No. 1 apples and up to grade, attracted my attention and along side two boxes from some firm in Washington marked "Extra No. 1" (No. 2 would have been more suitable).'

That is a concrete illustration. The incident of the stranger who came there and saw those British Columbia apples that were properly marked, and the United States apples that were not marked and wondered where the latter came from. That took place right in Victoria.

*By Mr. Broder:*

Q. You can have no supervision over the producer in the United States. You have got to get at the dealer in this country?

A. Notwithstanding these isolated instances, the volume of evidence goes to show that the American fruit is not usually the poor fruit of the Northwest.

*By Mr. Blain:*

Q. Why could not the Act be amended so that all the American fruit coming into Canada could be inspected and marked before it is released from the Customs office?

A. That is a suggestion that might well be made to the Dominion authorities, and I am sure the minister will give that careful attention.

## THE BRITISH MARKET FOR APPLES.

So far we have spoken of the northwest market only. This is appropriate inasmuch as this market will soon be more important than the export market. Nevertheless, we must not forget that Great Britain takes nearly or somewhat over a million barrels every year. The statistics the last three years may interest you. Of all the apples that were imported into Great Britain, Canada supplied, in 1906, 49 per cent. In 1907 Canada supplied 35 per cent and in 1908 59 per cent. You will notice we are reaching a stage where we are supplying a very large part of the apples used by Great Britain, who is our largest customer. At the same time we ship a large quantity of apples, even to the United States. It may surprise you to find that the business is not all one-sided by any means, and that last year we shipped to the United States 10,751 barrels, importing from that country ourselves a little less than that quantity. So that our exports to the United States more than balance our imports from that country.

*By Mr. Sproule:*

Q. Is there any source from which you could get any information as to the number of barrels or boxes of apples that are transported or sold to one province from another?

A. Unfortunately there is not.

Q. For instance, say from Ontario or British Columbia to Alberta or Saskatchewan?

A. There are no official figures. The only way that such information could be got would be from the railway authorities. They do not publish this information, and it is somewhat difficult to compile it.



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Q. I understood you to say that the one urgent need was education, and that you have people going around instructing growers and packers. Do you not think it would be valuable as well if you could educate some of them a little along the lines of honesty?

A. We leave that, except incidentally, to their religious advisers.

*By Mr. Broder:*

Q. Apparently they are not getting along very well with their job?

A. And unfortunately they are not amenable to the Agriculture Committee. It is seldom we have to fine a grower. It is the packer who does the fraudulent work.

Q. In our country they sell the fruit right out?

A. Yes, and it is the packers that are responsible, and it is practically the packers that are accountable for most of the evils that exist in connection with our apple grading and marking. That can be got over very largely if we could only impress upon the public the necessity of having these co-operative associations, the value of combining themselves in that form so as to get the advantage of this better packing.

British Columbia and Ontario loom large in the apple business. But let me point out that Nova Scotia has during the past year done an extraordinary trade in apples. That province has grown and shipped 600,000 barrels of apples during the past season, which was the largest, I think, of any year on record.

*By Mr. Schaffner:*

Q. You would not leave the impression that Ontario and British Columbia supply all the apples. Nova Scotia surpasses them both?

A. Nova Scotia is not, perhaps, advertised as well as British Columbia, not so well even as Ontario.

*By Mr. Broder:*

Q. British Columbia has the American spirit?

A. Ontario and Nova Scotia will have to follow its example. I would say with respect to Nova Scotia that they have a splendid district in that province for growing apples.

Mr. SCHAFFNER.—They certainly have.

A. And they produce varieties there that need fear no competition in any part of the world.

#### COLD STORAGE FOR APPLES.

*By Mr. Gordon (Kent):*

Q. Have you any data showing the number of barrels of apples that pass through the cold storage warehouse at St. John, N.B., and the benefit that is derived from that warehouse?

A. Information is scarcely available in that form yet. There were less than 100,000 barrels that went into cold storage there.

Q. Before we pass from the subject, what is your opinion regarding some of the methods to be adopted? To bring a cold storage warehouse into the vicinity of the orchard, what effect would that have upon the production and preservation of the apples provided the farmers were able to take full advantage of it and run it themselves?



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A. It would entirely improve the whole situation. I will answer that question by comparing New York State with southern Ontario. New York State is growing apples under the same conditions as southern Ontario; but they would be out of the winter apple business now were it not for the fact that they have erected large cold storage warehouses that are used for apples only. These warehouses have enabled them to continue in the winter apple growing business and to make it one of the most profitable branches of agriculture that they are engaged in. Undoubtedly the bringing of cold storage warehouses to the points where they can be used by the apple grower locally would improve the conditions in the part of the country where they need protection from the heat early in the fall. Southern Ontario is in that position. If southern Ontario grows apples without cold storage, the fruit must be marketed before the end of December or serious losses will frequently occur.

*By Mr. Sealey:*

Q. I gather that what Mr. Gordon wanted to arrive at was some explanation as to the result of the St. John cold storage warehouse. For instance, if apples went into cold storage when they were \$2 a barrel and were now realizing \$5 a barrel. If you had some such information as that and it was presented in the report of your address it would go a greater distance towards impressing fruit growers with the advantage and profit of establishing cold storage warehouses in their own vicinity. Could you give any such statement as that?

A. I can perhaps give information that will take the place of a statement as to the operations of the St. John cold storage warehouse. The reason why the figures of the operations of the cold storage warehouse at St. John cannot be quoted this year is that they commenced business a little too late to get the full advantage of the cold storage, and they did not get the class of fruit which they could use to the greatest advantage for cold storage purposes. So that even if their figures were available, and they are not, they would not be fair to the cold storage principle. What I can give you is this: There were apples stored in Montreal under exactly similar conditions, apples that came to Montreal from Ontario for which they paid \$2.25 per barrel. Those apples remained in cold storage and are selling to-day for \$7, or over, a barrel. Hundreds of barrels are now going into consumption at these figures. Thousands of barrels more could have been sold to Ottawa, Toronto, London and other large cities and towns in southern Ontario which have been almost bare of apples this winter. Those apples, remember, could be kept perfectly in cold storage in Montreal and shipped by the first steamer that goes out in May from this port, and then would be in fine condition to go upon the British market, and would take the place of the Australian apples that come in at this season. This is a use of cold storage which we have not learned yet, but it is perfectly practical.

## COLD STORAGE TO EQUALIZE PRICES.

*By Mr. Gordon (Kent):*

Q. Would not a thorough development of the cold storage system mean two things? First, higher prices to the producer, and second lower prices to the consumer? For instance, there are no apples in the country to-day although they are worth as high as \$15 a barrel. If we bring cold storage to the vicinity of the farmer and get him as much as \$1.50 per barrel more, the consumers would have an abundance of apples at the present time at \$3 or \$4 or \$5 per barrel less; would it not be of advantage to both parties?

A. Decidedly, and it would be of advantage, as you say, to both growers and consumers. Cold storage, if properly managed, would bring a better price to the grower and lower prices to the consumers.

*By Mr. Sealey:*

Q. Can you give us some facts that will show how that works out? The producer gets \$1.50 per barrel more for his fruit, and against that you could show 50 cents for the transportation, and the cost of the cold storage at 40 or 50 cents per barrel. This is a concrete illustration of the practical results to be derived from the development of a cold storage system. If the cold storage were located near the producer the freight one way on those apples would be saved, because they have been taken to Montreal, kept in cold storage there, and shipped back practically to the place where they were produced.

*By Mr. Gordon (Kent):*

Q. The man who grew them was bound to sell them because he had no means of holding them?

A. Precisely.

#### COLD STORAGE TO LENGTHEN THE APPLE SEASON.

*By Mr. Broder:*

Q. Your idea is that we would have a better market in the old country because we would be able to hold the apples until conditions were favourable?

A. We can improve our market at both ends of the season. There is always a demand for early apples, and we may just as well be filling that demand as not; we can do so by simply developing our cold storage facilities. Red Astrachan apples are ripe in Essex and Kent the last week in July. Duchess apples are ready to ship the first and second week in August. If picked and packed carefully in boxes they can be loaded now on refrigerator cars and sent in cold storage to Great Britain, reaching there in as good or better condition as if sent in the ordinary way to our home markets. This would add six weeks to our market at the beginning.

Two months more can be added at the end of the season. Indeed, we can supply the markets of Great Britain with apples every day in the year by the judicious use of cold storage. Last year we took stock from the general cold storage warehouse in Montreal intended for commercial purposes. It was not specially selected as it ought to have been, but was simply put there for home use. It was desirable to have a larger collection of apples for the Franco-British Exposition, and a selection was made from this commercial stock for exhibition purposes. These apples remained in cold storage the winter of 1907-8, and in the spring we put them on board the ship just as commercial apples might have been, and sent them over to the old country and placed them on exhibition. They were shown during May, June, July and August, and there were some of these apples still in prime condition, fit to put upon the table in September when we begin to send in new stock. That shows you that we have ample means of extending our apple season. This has been done, remember, at a cost of 40 cents per barrel for cold storage in Montreal, with just the same facilities for reaching the old country as for ordinary apples reaching the market in prime condition.

*By Mr. Schaffner:*

Q. You mentioned a certain variety of Nova Scotia apples which are of very high quality?

A. For the earlier apples the Gravensteins need fear no competition, although I am bound to say that I have had specimens from Kaslo and British Columbia that certainly equalled anything I ever saw in Nova Scotia.

Q. That is for looks?

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A. And size. But you can hold the market with Gravensteins; you need not fear.

Q. And Nonpareil?

A. The Nonpareil, King, Golden Russet, Belleflower, Fallawater and Northern Spy are all good varieties in Nova Scotia. These varieties are enough to meet the demand of the trade. It would be better if they reduced the number of varieties.

*By Mr. Sproule:*

Q. Do you know Mr. Carson of Meaford, Ont.? He tells me he receives equally as high a price in the old country, and frequently a higher price, for Gravenstein apples from Grey, Ont., than he did for the Annapolis valley apples?

A. But so few Gravensteins are grown in Ontario that they do not take a place on the market.

Committee adjourned.

HOUSE OF COMMONS,  
COMMITTEE ROOM No. 34,  
THURSDAY, April 15, 1909.

The Select Standing Committee on Agriculture and Colonization met at 11 o'clock a.m., Mr. Schell, Chairman, presiding.

Mr. McNEILL, Chief of the Fruit Division, was present by recall and submitted the following evidence:—

THE APPLE INDUSTRY.

Mr. McNEILL.—Mr. Chairman and Gentlemen.—I propose this morning, with your permission, to take up the apple industry as fully as time will permit. I have no intention of hiding from you the fact that I think I have a mission. That mission is to present to you such facts as will show you that the apple industry is at least a partial solution of some of the difficulties that beset you as men who are dealing with Dominion problems.

If I can succeed in properly presenting the facts of the case, you will find in this branch of agriculture one means of solving, to a limited extent at least, some of the most difficult questions, social and economic, that are facing you to-day. It is not a panacea, but it offers one way of ameliorating conditions in certain parts of the Dominion that are causing much uneasiness in the minds of statesmen and economists. For instance, we are complaining that the people are leaving Ontario and Nova Scotia and the eastern provinces generally, for the Northwest. We are dissatisfied that the value of eastern land is remaining stationary or being reduced because of the opening of cheap land in the west. We all deplore that our people are not satisfied with the conditions upon their eastern farms, that the young people are growing restive and are crowding the towns and cities only to furnish more victims for the slums and sweat shops. I wish to show you that large areas of cheap land can be most profitably devoted to apple growing, under conditions that will make life a joy and realizing the hopes of those philanthropists who cry: 'Back to the Land.'

MARKETS.

Naturally, the first consideration will be the extent of the market. The demand for Canadian apples is a growing one and is larger now than it ever was before. For convenient reference the following tables have been compiled from the Blue-books:—



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## GREEN APPLE EXPORTS FROM CANADA.

Countries.	1906.		1907.		1908.	
	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
	Brls.	\$	Brls.	\$	Brls.	\$
Great Britain.....	1,029,418	3,475,825	933,769	2,511,195	1,490,311	4,422,722
Australia.....	156	1,176			1	5
Bermuda.....	1,066	2,987	1,095	2,965	1,521	4,781
British Africa.....	6,769	22,534	9,572	23,967	4,824	15,704
British Guiana.....	34	102	13	34	27	69
British West Indies.....	118	368	441	1,365	233	686
Fiji.....	26	214	86	329	41	312
Hong Kong.....	7	35	2	17	17	141
Newfoundland.....	11,095	32,650	16,644	52,438	6,619	14,563
New Zealand.....	73	455	53	367		
Belgium.....	110	289	2,727	8,257	767	2,409
China.....	23	120	71	304	9	36
Cuba.....	767	3,114	542	1,670	603	2,146
Denmark.....	772	2,241	728	1,552	1,832	5,173
France.....	55,862	209,131	3,146	10,744	8,006	26,871
Germany.....	63,221	197,001	217	566	18	82
Holland.....	3,473	10,359	255	555	275	125
Mexico.....	204	774	350	1,101	102	410
St. Pierre.....	169	476	349	791	140	313
Norway.....	150	600	1,450	3,050		
United States.....	44,051	122,991	5,381	10,752	111,042	317,904
Italy.....			174	174		
Sweden.....			745	1,850	2,424	6,611
Russia.....			100	400	200	600
Japan.....			6	37	1	3
British East Indies.....			45	119		
Other countries.....					27	78

## QUANTITIES.

Fiscal Years.	Great Britain.	United States.	Other Countries.	Totals.
	Brls.	Brls.	Brls.	Brls.
1896.....	504,680	54,062	8,440	567,182
1897.....	1,579,272	54,348	30,850	1,664,470
1898.....	414,181	7,833	17,304	439,418
1899.....	672,125	81,204	21,739	1,075,068
1900.....	856,935	23,529	29,994	856,458
1901.....	643,945	12,502	22,204	678,651
1902.....	490,338	17,162	8,715	516,215
1903.....	673,805	6,064	20,659	1,000,528
1904.....	1,513,744	14,899	69,971	1,598,614
1905.....	1,86,222	16,784	34,142	1,037,148
1906.....	1,029,418	44,051	144,095	1,217,564
1907*.....	933,769	5,381	38,811	977,961
1908.....	1,490,311	111,042	27,777	1,629,130

\*Nine months.

## VALUES.

Fiscal Years.	Great Britain.	United States.	Other Countries.	Totals.
	\$	\$	\$	\$
1896..	1,303,451	85,419	27,600	1,416,470
1897..	2,409,787	50,498	42,683	2,502,968
1898..	1,239,777	18,879	48,025	1,306,681
1899..	2,412,728	156,191	52,433	2,621,352
1900..	2,423,079	73,625	81,529	2,578,233
1901..	1,422,665	18,188	42,074	1,482,927
1902..	1,495,107	49,348	22,353	1,566,808
1903..	2,696,927	11,508	50,289	2,758,724
1904..	4,379,826	34,579	176,388	4,590,793
1905..	2,513,599	31,438	82,430	2,627,467
1906..	3,475,825	122,991	484,666	4,083,482
1907..	2,511,195	10,752	112,661	2,634,608
1908..	4,422,772	317,904	81,918	4,822,594

\*Nine months.

## TOTAL IMPORTS OF APPLES INTO GREAT BRITAIN.

Year.	Quantity.	Value.	Per Cent Imported from Canada.
	Bbls.	£	
1906	2,097,119	1,753,577	49
1907	2,632,913	2,231,327	35
1908	2,521,179	2,079,703	54

## EXPORTS OF DRIED APPLES FROM UNITED STATES.

Year.	Pounds.
1902...	15,664,468
1903...	39,646,297
1904...	48,301,665
1905...	39,272,890
1906...	27,852,831

EXPORTS OF EVAPORATED STOCK FROM CANADA.  
(IN POUNDS.)

Year.	Total Exports.	To United States.	To Holland.	To Germany.
1900.....	4,181,038	149,436	1,213,333	1,735,387
1901.....	4,325,854	447,148	1,300,124	1,783,867
1902.....	1,685,960	51,780	635,462	787,224
1903.....	7,795,360	271,221	2,555,309	4,289,314
1904.....	6,981,391	441,953	2,163,338	3,673,734
1905.....	6,052,562	304,679	2,711,077	2,426,445
1906.....	3,651,260	60,691	2,013,353	1,327,390
1907.....	3,718,372	..	3,159,855	377,250
1908.....	6,939,088	1,369,625	2,954,390	1,640,296

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Year by year the number of countries taking green apples from us has increased and, though the quantity taken by many of them is not larger, it shows that we are able to reach those countries, and will be able to take advantage of any increased demand that may arise in the future. Indeed, it is safe to say that the exports to any of these countries may be very largely increased if the price of apples to consumers were lowered and the quality of them raised. And the apple industry as a whole would be greatly benefited if both events were consummated. In case of an abnormally large crop, we have the roads opened to markets that will absorb a very large surplus. We are supplying Great Britain with half of her immense import, and even to the United States, which is our only serious competitor, we ship a quantity equal to one-fifth of the apples grown this year in Nova Scotia. In winter apples we need fear neither competition nor the loss of our market.

## APPLE CROP OF THE UNITED STATES.

The statistical reports of the United States for the season 1906-7 show that the apple crop of the United States reached nearly 60 million barrels. Last year the United States crop was estimated at less than 25 millions, notwithstanding the large planting which is being done in some portions of the country. Upon the whole the apple crop is not increasing rapidly in the United States even in normal years. The increase, such as it is, has been almost wholly in the middle western States, growing apples that go into consumption under natural conditions before the New Year. Our winter apples have less competition than formerly except from fruit that has to bear the extra cost of cold storage.

It is possible to show you that Canada may well hope in the very near future to monopolize practically the whole trade in export winter apples from the continent of North America. The manufacturing urban population of the United States is increasing so rapidly that it would not be a matter of surprise to see them importing apples, especially of the winter varieties, in large quantities.

## OUR HOME MARKET.

Our home market, however, will continue to absorb the greater portion of our fruit. The area of Canada suitable for growing apples is small compared with the total habitable territory. Therefore, we may expect, with the enormous increase in population in the Northwest and a more than corresponding development of manufactures in the older provinces, that the market for apples, even now not well supplied, will increase enormously in the near future. We need, therefore, have no fears with reference to markets. They are assured.

## EVAPORATED APPLES.

A reference to statistics of evaporated fruit shows that we have done very little in this line, and the inference is fair that considerable expansion may be expected here. With a total production in 1908, of 25 million barrels and an export of 1 million barrels of green fruit, the United States exports 35,054,763 pounds of evaporated apples. Canada, with a production of about ten to twelve million barrels and an export of one and a half million barrels of green fruit, exports only 6,939,088 pounds of evaporated apples.

## APPLE PRODUCING DISTRICTS.

Commercial orchards are confined, for the most part, to the three provinces of Nova Scotia, Ontario and British Columbia.

*Nova Scotia.*—In Nova Scotia the industry is followed almost exclusively in the Annapolis, Cornwallis and Gasperaux valleys. The valley of the Avon is also a favoured section and some excellent orchards are being developed in Lunenburg and Digby counties.

#### THE BENEFITS OF ORCHARDING.

In Kings and Annapolis counties we have a most favourable opportunity of studying the beneficial effects of apple growing. The soil is not especially fertile, indeed, judged by western standards some of it is very poor; and yet the whole of these valleys are made literally to blossom as the rose. The beauty and perfume of the bloom together with the charm of landscape and climate, make this an early summer tourist resort. But apart from these aesthetic and incidental features, the districts where orcharding is followed as a specialty, constitute an interesting object lesson on the advantages of this industry.

#### VALUE OF ORCHARD LAND.

Land that could not be valued for any other purpose at more than \$50 to \$75 per acre, and much at less than these figures, in many cases, has been planted to trees. The total cost for all expenses including interest on investment before the trees came into bearing, would not average more than \$100 per acre. The revenue derived from an orchard in full bearing nets over all running expenses, varying according to localities, varieties, skill, &c., from \$25 per acre to \$200 per acre. Of course we cannot expect to get the capitalized value of the orchards, because it is worth this only to the man who has some skill as an orchardist and who can give the work his personal attention. It is not worth this value to the absentee investor. But making all these deductions we find that in the open market this land worth originally only \$50 to \$75 per acre for general purposes has risen in value when developed at a comparatively small cost in apple orchards two hundred, three hundred and sometimes four hundred per cent.

We find that when the land was devoted to general farming alone the homes were isolated, and had few conveniences and too often lacked what should be considered the necessities of Canadian country homes. As a rule, not more than one family was located on each hundred acres, more or less, and consequently the advantages of social intercourse and of church and school privileges and of postal and transportation facilities were enjoyed only to a limited extent. The contrast is great indeed between these conditions and the conditions that actually prevail now in that part of the Annapolis and Cornwallis valleys where orcharding is made a specialty and general farming subsidiary. Fruit-growers' homes have all the modern conveniences even to telephones and in some cases electric lighting. Social intercourse is easy and frequent. Public halls, libraries, lectures, concerts and other public entertainments are at the command of all.

*St. John Valley, New Brunswick.*—New Brunswick has never figured as a large apple growing district. Nevertheless, in passing I wish to remind you that during the last few years the St. John Valley has shipped apples to the United States as well as to Great Britain. The conditions are such that I verily believe the St. John Valley—that portion from St. John to the city of Fredericton—could be made just as profitable as an apple-growing section as the Annapolis valley. It is simply a matter of education, enterprise and a knowledge of the opportunities the people have before them. They can grow there the finest Duchess apples that can be grown anywhere. The Bishop Pippin grows to perfection. This is an apple which so far as its intrinsic merit is concerned, will compare favourably in the estimation of many with the McIntosh Red or the Gravenstein.



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*Ontario.*—Leaving Nova Scotia and passing Quebec where they have great possibilities in the finest dessert apples, we reach the second large apple growing section in the central southern portion of Ontario. If we draw a line from the Ottawa river somewhere about Pembroke west to the Georgian bay, we may say that commercial apple-growing is possible in Ontario south of this line. The same varieties cannot be grown over this large area, nor would the cultural and market conditions be the same. Later I propose to speak more particularly of this great apple area.

*British Columbia.*—The most westerly apple district is in British Columbia. Although the quantity of fruit produced there is not yet large, indeed scarcely more than enough to supply their own needs, the promise is great. The enormous possibilities of fruit-growing here are only beginning to be appreciated. British Columbia is the one province where fruit-growing is recognized as the chief agricultural industry, and the intelligent enterprise shown by the provincial authorities and the owners of real estate in advertising this industry, might, with advantage, be copied by Ontario and the maritime provinces.

Again, in British Columbia we have a demonstration of the advantages of fruit-growing, and particularly apple-growing, over other lines of farming in those parts of the province suitable for that purpose. Mining and ranching are followed as large industries. One need only make a comparison between the present condition of the Coldstream Ranch divided into many successful fruit farms and its former condition as a cattle ranch, to note how desirable it is that fruit-growing should be encouraged to the fullest possible extent.

## MOST FAVOURED CANADIAN FRUIT SECTION.

I do not wish to make any comparisons between provinces, but rather to show that wherever fruit-growing is established as a specialty there you find conditions that make for the highest type of citizenship with the greatest measure of prosperity and contentment. I am frequently asked where I would advise a man to go to follow this business with the greatest advantage. My reply, after years of study of the subject, is that if we do not take into consideration matters purely personal, but regard simply the dividend that can be made on the time, skill and capital invested, it will make practically no difference where he goes in the fruit-growing belt. If the prospective planter has little or no experience in fruit-growing, he will locate where he can take advantage of the experience of his neighbours. If he has only a little capital, he will begin with small fruit and a nearby market, and make large plantations as his capital and opportunities increase. If he has unlimited capital, he will be at no loss to invest it in a dozen different lines of fruit-growing as chance or his tastes may suggest. The conditions are so varied that the predilections of almost every one can be satisfied. For long keeping winter varieties of apples, there is a wide range of choice in British Columbia, Ontario or Nova Scotia. For the finest dessert apples the province of Quebec and the eastern part of Ontario cannot be excelled. For peaches, pears, grapes and tender fruits generally, parts of British Columbia and southern Ontario offer every facility.

The fruit districts outlined in the accompanying maps (facing page 150) embrace, in a general way, territory as follows:—

District No. 1.—Counties north of Lake Erie.

District No. 2.—Counties on Lake Huron and inland to York county.

District No. 3.—Counties bordering on Lake Ontario north to Sharbot lake and Georgian bay.

District No. 4.—Ottawa and St. Lawrence valleys to Lake St. Peter and southwestern Quebec.

District No. 5.—New Brunswick with northeastern Quebec.

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District No. 6.—Hants, Kings, Annapolis and Digby counties, Nova Scotia.

District No. 7.—Nova Scotia not included in District 6.

District No. 8.—Prince Edward Island.

The leading varieties of apples grown in these districts and the varieties that can be recommended for commercial orchards, are as follows :—

District No. 1.—Baldwin, Spy, King, R. I. Greening, Golden Russet, Ben Davis, Duchess, Fameuse (Snow), Wealthy and Blenheim.

District No. 2.—Spy, Baldwin, King, R. I. Greening, Ben Davis, Golden Russet, McIntosh Red, Wealthy, Duchess and Ontario.

District No. 3.—Spy, Baldwin, Ben Davis, Stark, Golden Russet, R. I. Greening, Wealthy, Fameuse (Snow), and Duchess.

District No. 4.—McIntosh Red, Wealthy, Duchess, Alexander, Fameuse (Snow), and Yellow Transparent.

District No. 5.—Alexander, Fameuse (Snow), Wealthy, Duchess, Baldwin, McIntosh, Russet, St. Lawrence, Yellow Transparent and Tetofsky.

District No. 6.—Duchess, Gravenstein, King, McIntosh Red, Nonpareil, Golden Russet, Bellflower, Wealthy, Fallawater, Northern Spy, Stark and Ben Davis.

District No. 7.—Baldwin, Gravenstein, King, Nonpareil, Spy, Wealthy, Stark, Ben Davis and Duchess.

District No. 8.—Spy, Ben Davis, Alexander, Wealthy, Gravenstein, Stark, Baxter, Duchess, Russet, Wolf River and Transparent.

#### ELEMENTS OF A GOOD FRUIT LOCATION.

Even though we admit that with equal industry, capital and skill a fruit-grower may do equally well financially in any one of the fruit sections, yet there is the greatest variety of soil and climatic conditions which must all be duly considered by the prospective planter if he would avoid serious loss and disappointment. These conditions depend upon latitude, altitude, proximity to large bodies of water, soil constituents, contour lines, rainfall and extremes of temperature. Many of the facts in connection with these phenomena can be obtained from reports, but the data is so complicated and the difficulty of estimating the value of it is so great that the only trustworthy guide is the observation on the spot of actual results taken in connection with the facts gleaned from weather reports and geological surveys.

#### FRUIT DISTRICTS OF ONTARIO.

Before you is a map of Ontario, worked out with special reference to apples but which serves in a crude way all commercial fruits. I have prepared maps with less detail for Quebec and the maritime provinces. An analysis of these fruit districts in detail is made for the purpose of showing the kind of information that should be carefully worked out, to assist the planter and perhaps be a guide for people from other countries who might wish to engage in fruit-growing in Canada.

DISTRICT No. 1.—In the district north of Lake Erie, marked No. 1, all the fruits of the temperate zone can be grown. Apples, pears, plums, peaches, cherries, apricots, grapes, all grow to perfection. Even figs have been grown outdoors with a little winter protection in Niagara district. There are vines of English ivy growing outdoors unprotected in Essex county for twenty years, to my knowledge. Melons, tomatoes, sweet potatoes and lima beans all ripen perfectly.

The rainfall is not heavy and is evenly distributed. The prevailing soil is glacial clay frequently running to clay loam, and in Norfolk county and part of Elgin to a sand in some places very light. Once or twice during the winter the temperature will sink to zero or a few degrees below it. There are usually about one hundred and fifty frostless days or even two hundred in the case of Pelee Island. July and August

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are usually very hot and little rain falls. September, also, is frequently warm and dry. After the first week in October light frosts are frequent at night, but mangles and other root crops are seldom injured till after the first of November. These conditions have a marked effect on the lines of fruit-growing that can be profitably followed. The hot bright weather of July, August and September ripens tomatoes, peaches and grapes perfectly which cannot be done in the open air in England or even on the coast in British Columbia.

But I wish to speak more particularly of apples and the effect which climatic influence has on the industry here. The early settlers, U. E. Loyalists from the south, the proteges of Col. Talbot as well as the English settlers who came as the result of the occupation of Fort Malden, near Amherstburg, had all been used to apple orchards and made large plantations of their own on every clearing. The region became famous for its Colverts, Jenettings, Baldwins, Spys, Golden Russets and Greenings and continued so to the present time. But there was this difference. At first the early fruit glutted the limited home market, but of late years even the winter apples were not in demand and apple orcharding fell into disrepute. What has happened? Just this. The other portions of Ontario began to grow winter apples and purchasers found that the winter apples grown in the colder portions of Ontario kept better for winter use, and this gave greater satisfaction. If apples were scarce in the fall then there was a demand for southern apples as they could be consumed before winter. With this irregular demand and poor price the orchards were allowed to fall into neglect and the fruit rapidly deteriorated. But events move quickly in these days. Within the last six years two things have happened that completely change the situation. Cold storage transportation on steamships has been perfected and an extraordinary increase has taken place in the population of the northwest. These two events have given us two markets for our early maturing fruit, Great Britain and the northwest. Once more apples have become profitable in southern Ontario. Do you want to know how profitable? Let me give you two sample cases: The apples in a certain orchard of about 5 acres near Simcoe in Norfolk, sold six years ago for \$180, just as they came from the trees. Next year the title to the land and orchard passed to Mr. A. Gilbertson who began to cultivate, prune, spray and thin the fruit and otherwise give it good culture. The revenue from the five acres increased year by year, and last year yielded the comfortable sum of \$1,500. Its total current expenses and interest on investment in connection with the five acres was less than \$200. Another man in the same neighbourhood also a skilled orchardist but with only a few trees, made a profit of \$10 per tree. These are large profits, so large indeed, that beside them Standard Oil dividends appear almost trivial. But I assure you no facts could be better authenticated.

But to return to our apple survey may. The hot weather of August and September in District No. 1, matures the winter varieties so early that they must go into consumption before the new year in the natural course of things. No prudent merchant will buy them to store for winter use because he knows that they will not keep without a heavy percentage of loss. For the present there is a good market for them even when sold in the fall for immediate consumption, but if apples are cheap at any period of the year they will be cheap during November and December, just when the winter apples of this district are on the market. It is for this reason that I do not advise the planting of winter varieties in District No. 1 unless the orchardists will grow enough to justify them in putting up a cold storage warehouse. The people of New York State who have exactly the same conditions have done so and thus saved their business. It cost from 30 to 50 cents a barrel to cold store; so in the absence of cold storage, and considering the cost, I advise that only early apples be planted here. There is no necessity for sacrificing their winter apple trees. Take proper care of them to grow good fruit; unite the fruit growers into co-operative associations and use the best facilities we have now in transportation, and their profits



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will be five times what any other branch of farming but fruit growing will yield them.

#### MARKET FOR EARLY APPLES.

But the demand for early apples is insistent. We have the markets of the north-west assured, and the markets of Great Britain are always open to us. We have not the fruit to supply the present demand and have not had it during the past five or six years that we have had the transportation facilities to reach it. Little or no planting of early apples is being done here, and if a beginning is made now it will be six to eight years before we have any crop to sell. In the meantime the markets will develop far more rapidly than in the past. If a million early apple trees were judiciously planted this spring in District No. 1 of this map, they would not come into bearing soon enough to supply the demand. There is no prospect that the farmers and fruit growers of this section will be aroused in the near future to a proper sense of their opportunities.

The only large planting of early apple trees in this district with which I am acquainted is one lot of a thousand trees. Even intelligent and experienced fruit growers in the neighbourhood held up their hands in astonishment at the audacity of a planter putting in a thousand trees of early apples. 'Where will you get your market for all these?' they said. It was in vain that they were told that the market already existed that would absorb the product of these thousand trees in a single day. But this is incidental and for the purpose of showing the application of this fruit survey of the Province of Ontario.

DISTRICT No. 2.—Referring to the map of Ontario, the line marking the divisions between District No. 1 and No. 2 follows fairly closely the contour-line marking an elevation of seven hundred feet above the level of the sea or somewhat less than two hundred feet above the level of Lake Erie. You will also note that in the central part of Ontario, including the northern part of Wellington County, the northern part of Waterloo County, three townships in Perth County, and a very large part of the County of Grey, there is a district marked No. 4. The dividing line between District No. 2 and this portion of District 4 follows very closely an elevation of one thousand feet above the level of the sea or about four hundred feet above the level of Lake Huron, Georgian Bay and Lake Erie.

DISTRICT No. 3.—North of Lake Ontario and including a small territory on the Georgian Bay is District No. 3, and north of District No. 3 is the larger part of District No. 4. The division between Districts 3 and 4 in the north is drawn to include in District 3 the Trent river and lakes, and extends eastward as far as Frontenac County and to the St. Lawrence river at Kingston.

These divisions are made with special reference to apples. Districts 2 and 3 grow the same varieties and are specially suited for the winter varieties. I have made a division between 2 and 3 for other than climatic reasons. In District 2 orchard planting began much earlier in the history of apple growing, and it became the custom to plant a small orchard of one to five acres on every hundred acre farm. In District 3 the orchard planting began later when the export market for winter varieties was well established. Consequently, the planting was done with more confidence in larger orchards. The growing of winter apples became a specialty. This is peculiarly the district of large orchards of winter varieties. District No. 2 is equally good as far as soil and climate are concerned, but the prevalence of the small orchard rather counted against the planting for commercial purposes. A small orchard is apt to be neglected, and the profits, though fairly large even in this neglected condition for the capital and current expenses invested, are not apt to be striking. Hence District 2 is an area of small orchards but fairly numerous. There





Fruit Districts of Ontario.



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is no reason why the whole of Districts 2 and 3 should not be given up almost exclusively to winter apples.

**DISTRICT No. 4.**—As much cannot be said for District 4. This district has climatic conditions so severe that the winter varieties are not hardy in the tree. Winter varieties, such as the Greening and Baldwin to a varied degree, are usually somewhat tender in the tree, while the early varieties, such as the Duchess, Yellow Transparent and the Russian varieties generally, are very hardy in the tree. It is for this reason that we find the greater number of the early varieties in District 4, and the less favoured portions of 2 and 3; very few of them comparatively, have been planted in District 1. Had market considerations solely been considered this would have been just reversed. The early apples would have been planted in District 1 and other varieties would have been consigned to Districts 2 and 3.

I would not recommend the planting of early varieties for market purposes in Districts 2 and 3. These districts are peculiarly fitted for winter varieties, and if the advantages which they possess can be properly impressed upon the owners of the land, this will become ultimately the largest area of winter apples on the continent. No other part of Canada of which we have any knowledge at present has the advantages of this district. The only competitors will be in New York and the New England States, New York being the most formidable competitor. But New York State is for the most part in the same condition as District 1 in Ontario; their winter apples ripen too early in the fall making it absolutely necessary, to prevent serious loss, that they should use cold storage warehouses. This is quite unnecessary for Districts 2 and 3 in Ontario for the winter apple trade as carried on at the present time.

The apples, for instance, in the County of Huron and in the County of Northumberland, to take them as samples of the whole district, ripen from the middle to the end of October, just before the cold weather of the fall sets in. In fact, it is a matter of anxiety frequently with the orchardist to get sufficient maturity on the tree and yet not leave the apples until there is danger of serious freezing in the fall. When the apples are picked in this district and placed in ordinary storehouses, they go practically into a natural cold storage. The doors and windows and ventilators are opened during the night, when the temperature falls below the freezing point, cooling the fruit and the interior of the warehouse. The doors and windows are closed again if the day promises to be warm; and when cold weather sets in permanently they have simply to be protected from the outside cold which can be admitted as required through ventilators to keep the apples practically in cold storage until the first of March.

This condition has been taken advantage of more particularly in the counties of Durham and Northumberland. At Colborne, a comparatively small village, there are nine warehouses, giving a total capacity of somewhat less than a hundred thousand barrels. Brighton, a few miles further east, has seven warehouses with a capacity for fifty thousand barrels; and Trenton has also several warehouses of the same kind, all catering to the winter apple trade. But in addition to this nearly every town along the north shore of Lake Ontario has one or more warehouses, all used for storing winter apples. The conditions are such that the apples can be picked and roughly graded, placed in barrels without pressing and stored until the winter months when they are re-packed. All defective and below grade apples are rejected and the barrels, properly pressed, are sent forward during the winter to the markets of Great Britain.

From the fact that the growers of this district do not need cold storage to command the markets for winter apples at this season, it is readily seen that they have an advantage of the extra cost of cold storage in other districts growing winter apples. This cost can be placed roughly at from 25 to 50 cents per barrel. It needs

no further demonstration to show that, when the price of winter apples falls to the mere cost of production, the growers of Districts 2 and 3 have an advantage of the cost of cold storage, which as I have said is from 25 to 50 cents per barrel. This virtually insures the trade in winter apples to this part of North America. There are, indeed, a few small sections of the New England States and part of New York State where the conditions are somewhat similar, but there are no large areas where it can be followed to the extent it can here; and it is by no means hazardous to predict that these Districts 2 and 3 will ultimately be the great winter apple growing district of North America.

Permit me a word here of explanation that the lines which are drawn separating the different fruit districts are by no means to be considered as marking off at contiguous points great differences in climatic condition. As a matter of fact, there are no definite dividing lines between any two sections. District No. 1 insensibly fades into District No. 2; and District No. 2 joins by imperceptible degrees District No. 4. Thus it is quite possible that within District No. 2, as it is marked upon the map, may be found conditions credited to District No. 1. Indeed it may be mentioned specifically that in the neighborhood of Sarnia and, generally, near the shore of Lake Huron, the climatic and soil conditions are such that it approaches very nearly the conditions of District No. 1. Several large peach orchards are bearing quite successfully along this coast and it is an exceedingly favourable district for plums. So, too, in District No. 4, especially along the valleys of the Beaver and Saugeen in Grey and of the Maitland further South, there are many localities where winter apples may be grown quite successfully. Indeed, some peaches as fine as anyone could wish to eat are grown in the Beaver Valley in the county of Grey. But of necessity any such map making as this must be done in general terms and the exceptions will have to be noted by themselves.

I have no hesitation in saying that I would not recommend the attempt to grow Greenings and Baldwins within the borders of the district marked No. 4. Occasionally an orchard of such varieties may succeed; almost always they would grow for a few years quite successfully and may arrive even at a bearing age. Then in all probability, after ten or twelve years of careful attention, a hard year, such as we had in 1903-4, would come and the whole orchard would be destroyed. The orchard in connection with the Ontario Agricultural College at Guelph has had the most skillful care and every attention which could be bestowed upon trees, and yet the Horticulturist has not succeeded in establishing an orchard of Baldwins, Greenings or Spies, though there are occasional trees that will attest the fact that they are 'almost hardy' in that section. Thousands of dollars have been wasted on nursery stock in those counties in the elevated portion of Ontario in the vain endeavour to establish these tender winter varieties.

Nevertheless District 4 is not out of the apple district, nor do I believe that the industry need be less profitable in this district, growing the very best of dessert apples, than in Districts 2 and 3, growing winter apples, or in District 1, growing early apples. District 4 includes, besides the elevated portions of the counties of Wellington, Waterloo, Perth and Grey, the Eastern portion of the Province between the St. Lawrence and the Ottawa rivers. The trees here must be very hardy. Fortunately we have that feature in such excellent varieties as the Fameuse, McIntosh Red, Wolfe River, Alexander and Wealthy. These are all dessert apples and some of them, such as the Fameuse and McIntosh Red are, perhaps, the best dessert apples grown. The highest priced apple upon the Ottawa market last year was the McIntosh Red. It is not too much to say that the market has never yet been filled with this apple. I need say nothing of the Fameuse (Snow); its virtues are well known.

#### CONDITIONS OF MARKETING DESSERT APPLES.

The advantage which District 4 has in growing these varieties is that they grow here firmer in texture, standing shipping much better than when grown further



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south. They also ripen somewhat later and come upon the market at a better season. They can also at the present time be harvested and marketed without the aid of any cold storage facilities other than we already have, but it is very desirable for the proper carrying on of any large trade in these apples that cold storage should be provided at the point of production. It is also essential that these varieties, appealing as they do directly and distinctly to the public as a dessert fruit and being somewhat tender to handle, should be wrapped in paper and carefully packed in boxes. If this is done, there is no reason to believe otherwise than that orcharding could be carried on in this district with as much success as in any other part of Ontario.

Indeed, that this is so has been demonstrated already. Mr. Harold Jones of Maitland has a small orchard of four acres of Fameuse. This orchard usually yields him from \$400 to \$800 per annum. Mr. A. D. Harkness of Irena, has a large orchard of these varieties, and, with no advantage as far as soil, climate or location are concerned, is gathering returns quite comparable to those yielded by orchards in other parts of Ontario. This but carries out the assertion which I made to you that as far as profits are concerned, it does not matter which part of the Canadian fruit belt is selected for orcharding.

## ORCHARDING AND DISTRIBUTION OF POPULATION.

\* Before leaving the map of Ontario, I would like to give an illustration showing how apple growing may have a very effectual bearing on the problem of the distribution of the population. As a Dominion official it is not for me to have any prejudices as to how the population is distributed. I am equally bound to report faithfully facts as I observe them, leaving it to others to draw conclusions and take action.

North Middlesex is situated as you see in District No. 2 of this map. I was quite familiar with the district in the neighborhood of Ailsa Craig forty or forty-five years ago just as the primeval forests were being cleared away. Long years since the original log houses have been replaced with substantial structures, frame or brick, built when each hundred acres was occupied by a farmer and his family engaged in mixed farming. Since that time a very marked change has taken place, the exact causes for which it might be hard to explain. The land is eminently suited for any kind of ordinary farm crop and particularly for apples. On visiting the neighbourhood recently I found that many of these farm houses were unoccupied and the farms are given up in most cases to grazing, for which I am bound to say they could get no better land. Instead of each hundred acres supporting a family, now large blocks of land are held by single individuals, all of whom are engaged in fattening cattle. One grazier has control of fifteen hundred acres. I inquired minutely as to the number of men he employed. It is reported to me that he keeps one man by the year and hires a few men occasionally to fix fences or for other purposes, but these are only employed for a few days at a time in the spring. This man is only one of several engaged in the same line of work. And what is the result? The district is being practically depopulated. The farm houses are going to decay. The village merchants find their trade gone. One school that formerly employed five teachers now employs only three; and generally things look as if there had been a decline. This, however, is not because the business of grazing is not carried on properly. In fact no finer breed of cattle will be found in any part of Canada, and the district has the reputation of sending the very best grade of fat cattle to the British market.

But how about the land?—Has it increased or decreased in value? Some idea of this can be obtained from the rentals which are being paid, because much of this land is not owned by the cattlemen but rented. The usual rental is \$2 per acre.

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Capitalize this at a fair rate of interest and the present value of the land is about \$40 per acre, certainly not more than \$50. Now compare this with the conditions we will see in the neighbourhood of Ingersoll, where the land is no better, but where they are making the growing of apples a greater feature in farm work, even if they are not making a specialty of it. As a matter of fact even here the farmers do not appreciate the value of orcharding as they should and, though they are getting fair returns from their orchards under any circumstances, yet they are neglecting their orchards almost universally.

Some of these neglected orchards have been rented by a shrewd farmer who formerly made a specialty of dairying but who, being a good bookkeeper, soon found that he was getting exceptionally large returns from his orchard. He conceived the idea of offering the owners of these neglected orchards a rental for them. The rent varies slightly but in no cases falls below \$15 per acre, running at about \$20 for the most part. If we capitalize this as we did the rent for the grazing land in North Middlesex, we find that it places the value of the orchard land at something between \$400 and \$500 per acre. It is true the original cost for the orchard was something more than for the grazing land, but the capital invested in the orchard over the grazing land is certainly not more than \$100 so that even deducting the original investment, we have the value of orchards at eight or ten times that of grazing land.

The difference is not in the original quality of the land, not in the climatic conditions, because these are good in both cases; the difference is in the use to which the land is put. If it is put to grazing it is worth \$50 per acre; if it is put to orcharding it is worth from \$300 to \$500 per acre. The natural conclusion would be that grazing should not be followed in this district and that orcharding should. As a matter of fact, the grazier must have cheap land to compete with his finished product in the markets of the world; and he must either move out to where the land is cheap as, for instance, in the great North West, or he must make the land cheap where he is, as has been done in this district to which I refer.

To show that the rent which was paid for the orchards in the neighbourhood of Ingersoll was not above the average, I might refer you to the rent paid by Mr. Tweddle for medium or neglected orchard in the neighbourhood of Fruitland in Wentworth County. Mr. Tweddle adopted a plan similar to that adopted by Mr. Harris in the neighbourhood of Ingersoll, and he paid about the same rental or a little less as the orchards near Fruitland were perhaps not quite so good as those near Ingersoll, but in no case did the rental fall below \$15 per acre.

#### THE SELLING PRICE OF ORCHARDS.

I quote these actual instances of the rental of orchard lands so as to fix the value which is placed upon the orchard land by a process that appears to find favour at least with the loan societies. It would be quite easy to fix it also by the selling value of the orchards in full production. Taking this method, I may refer you to several sales of orchard land that have taken place in Northumberland county, where the value of orchards is being appreciated; orchards in full bearing have changed hands at figures from \$200 to \$400 per acre. But orchards by themselves in full bearing very rarely change hands, and where orchards are sold with a part of a general farm, usually the orchard is not appreciated at its full value; first, because the owner is usually a poor bookkeeper and does not know what are really the money makers and so lumps it with the rest of the farm. The buyer is in a somewhat similar position and frequently gets more value in a ten acre orchard than in the remaining 90 acres, though he probably estimates it at a comparatively trifling value.

#### REVENUE FROM ORCHARDS.

The third method is by computing the revenue derived from the orchards just as they are being worked by the owners at the present time. The fruit division sent

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out a schedule to about three thousand owners of orchards, large and small, well cared for and neglected. The result was, of course, extremely interesting. Many of the orchards, as was to be expected, were valued as the source of the fruit for the family and the surplus fruit that grew upon the trees was not sold to advantage. These in a few cases were an actual bill of expense to the owners. Perhaps 30 per cent of the orchards were given little or no care, but were not actually abused. They usually yielded from \$25 to \$75 per acre net profit. A second grade of orchards better cultivated, pruned and perhaps sprayed, yielded from \$50 to \$100 per acre net profit over expenses. Skilful orchardists were making from \$100 to \$300 per acre, and a small percentage having special care and perhaps special natural advantages and a special class of customers, have made from \$400 to \$800 per acre clear of all expenses. \$400 per acre, therefore, is almost, if not quite, the minimum price for orchards of good varieties and well cared for, and many orchards could not be bought for twice the amount. It will be readily seen, therefore, that if we consider simply the permanent value of the land in orcharding and the value of the land for grazing purposes, the value is enormously in favour of the orchard land. If we consider the revenue derived from the orchards by practiced and skilled orchardists, compared with the revenue which can be derived from an equal investment in grazing, the investment is very much more in favour of orcharding. If we will consider the number of people which will occupy the land again we have the balance infinitely in favour of orcharding. It is, therefore, a very plain and elementary truth, that if a certain district of this country such as has been marked upon this map as No. 2 and No. 3, has great natural advantages for orcharding such as are not enjoyed by territory lying outside of this belt, it is an economical blunder of the worst sort to devote it, of all things, to grazing; an industry essential indeed, but subsidiary except where land is cheap and where it cannot for the present at least, be put to more remunerative purposes.

## THE SOCIAL SIDE OF FRUIT GROWING.

But this is considering only the financial side of it. Socially, the blunder is perhaps worse. Primarily, the aim and object of society is not to accumulate wealth except simply as a means to an end. A much more important object is to bring about conditions such as will tend to the greatest degree of health, moral, spiritual and intellectual and by this the greatest happiness and consequently the highest development that our country is capable of. When you consider, therefore this side of orcharding we must acknowledge the very great value of it. It avoids the extreme isolation that we have in the case of grazing where so few people are occupied upon the land that social advantages cannot be enjoyed. The establishment of schools, churches, good roads, proper sanitary conditions and all the other features that come as the result of a model social organization, are physical impossibilities. On the other hand, the evils of overcrowding which we have in the case of manufacturing towns and cities, with all the evils of the apartment house, the flat the tenement slums and the sweat shops are entirely avoided. Orchardists are sufficiently numerous in any particular district to render all modern conveniences possible; but they have still so much of seclusion, that the virtues of home life can be cultivated while yet enjoying all the blessings of fresh air, outdoor exercise, sunshine in plenty and a physical condition of the very highest order. Not least among the advantages of orcharding is the fact that it strikes the happy medium between work for head and hand. It gives ample scope for a very varied type of intellectual labour in conjunction with all the physical powers, and so comes as near the ideal life as appears possible at the beginning of this 20th century.



## WHAT FRUIT GROWING HAS DONE FOR NIAGARA DISTRICT.

It would be rather a severe test to be asked to point to actual instances where these ideas have been carried into realization. Nevertheless, there are examples to which reference can be made with some degree of confidence. Niagara district in Ontario and parts of the Annapolis valley have been engaged in orcharding long enough to have developed something like normal conditions in this industry. And what do we find? The district from Hamilton to Niagara river that is given up to orcharding, has become so famous for its home possibilities that its value as orcharding land will soon likely be surpassed by its value for residence purposes for those, who, having accumulated as much of this world's goods as they care for, wish to retire to some ideal spot where they can enjoy the remainder of their life to the fullest extent. The convenient railway system cannot, of course, be attributed to this particular branch of industry. Nevertheless, it has helped to swell the dividends of the railroads beyond that of any other equal length of the system in the Dominion. The trolley cars may be set down directly to this industry and these give communication with the large cities at intervals of a few minutes at all times. Almost every house is supplied with a telephone which, together with the telegraph, place them in communication with the whole of the province. The water supply and the sanitary conditions will compare well with that of the model cities upon the continent; and in culture and intelligence a comparison would not be unfair with the best that is to be found in any group of population.

## APPLES AND PROSPERITY.

Practically the same condition, somewhat modified, is to be found in the Annapolis valley, Nova Scotia, and it is a fair inference that if the fruit-growing capacity of the districts which I have outlined upon the Ontario map, were developed along lines corresponding with their natural advantages, a marvellous change would take place in the province which is even now regarded by its inhabitants as the premier province of the Dominion. Fruit growing has not been followed long enough in British Columbia to develop normal conditions there. Everything indicates that an equally desirable growth is taking place there which in the near future will make it a demonstration of what the fruit-growing industry can do to develop and maintain superior social and industrial conditions.

## ANIMAL INDUSTRY FUNDAMENTAL.

I have made a comparison between orcharding and ranching. It may possibly be well to explain that I do this in no spirit of depreciation of animal husbandry. On the contrary, I have upon various occasions and do now warn orchardists, that animal husbandry is a permanent feature of orcharding under normal conditions. The fertility of the land cannot year after year and century after century be maintained, except upon the basis of a certain number of animals being kept for each acre cultivated, and I am, therefore, quite in sympathy with every movement for the improvement of our live stock and it gives me pleasure to say that the breeders of North Middlesex, and especially the Short Horned Breeders' Association, whose president is a member of this committee and is present with us today, has done a most valuable work in placing Canada in the very front in the work of developing this highest type of beef animal. The criticism that I would make is that we are not following economical lines in devoting a tract of country to an industry requiring cheap land, when nature has marked it out as specially fitted for an industry that will make land extremely valuable; that we are putting one or two men on fif-



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teen hundred acres where it is desirable and quite possible to put two or three families on every one hundred acres; that we are devoting the best of apple land to grazing when we have millions of acres now unoccupied that might most easily be first occupied for grazing purposes, while the people who will occupy this northwest grazing land are intensely interested that we should grow more and better apples where they can be grown, in order to supply them with this luscious fruit.

## A BROADER CULTURE NEEDED.

Naturally the question arises how to bring about this consumption so devoutly to be wished. Speaking generally, the solution comes through a broader and better education of our farmer, and for that matter all citizens, and a wider diffusion of knowledge of our natural conditions and resources by the general public. There are, however, many partial remedies, many palliatives and expedients that can be recommended for immediate application. The process of education is slow and must be taken step by step.

## CO-OPERATIVE FRUIT ASSOCIATIONS.

Nothing in the development of recent times in agriculture in Canada would do so much to improve the conditions of existing orchards and ensure the intelligent planting of more of them as a systematic campaign in favour of local co-operative fruit associations.

The first of these associations, in an imperfect form, was established in Ontario ten or twelve years ago. Since that time they have been growing slowly until today we have between thirty and forty in successful operation, three in Nova Scotia and about fifteen in British Columbia. It is needless to say that they have not all been successful. For its successful operation there should be fairly intelligent membership. Ignorant, jealous-minded, narrow-viewed and selfish men cannot co-operate. Even though we have all the virtues of the passive order, such as honesty, industry, suavity, frugality and temperance, it is not enough; in addition to this we must have an intelligent, active, public-spirited leader before we can secure a successful organization. Nevertheless, the movement is growing and the people are ready and willing to co-operate, but scarcely know how or where to begin.

## CO-OPERATION COMPARATIVELY EASY IN APPLE SELLING.

It is interesting to note that the apple industry may be of very great assistance to the other agricultural occupations by being the means through which the co-operative spirit can be developed among Canadian farmers. If it did nothing more than this it would be well worth all the effort put into it.

*The Forest Association.*—Perhaps I cannot do better to convince you of the importance and value of this than give you the results attained by one or two of the associations and the effect which they have had upon the immediate neighbourhood. I referred at some length a few minutes ago to the agricultural conditions in North Middlesex. A few miles west of this is the town of Forest in the county of Lambton. Here the soil and climatic conditions, as you will readily understand, are practically identical with those of Middlesex; but it will be interesting to make a comparison between the income derived by forty farmers and their families on forty different farms devoted to general farming with orcharding as a specialty, and the income from the same quantity of land in the neighbourhood of Ailsa Craig devoted to grazing. The Forest Association owes its origin, and very largely its successful operation, to the intelligence and public spirit of Mr. D. Johnson, a farmer near Forest who has an orchard of twenty-five acres. By his skill and tact he has held this organization

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together through good years and bad years, until I believe it has reached the point where it can go on and prosper without him. This is the ideal condition of things. The very essence of co-operation is to help people to help themselves. We should not delay organization in any particular neighbourhood until every man is fully educated up to the point where he could be a leader. The organization should begin as soon as possible and the work afterwards would be the means of developing the members. Thus the movement in a short time would not depend upon one or two in a neighbourhood. It would as far as intelligence, tact and experience is concerned soon be wholly independent of any particular individual. The Forest Organization had no particular advantages. The orchards, when the organization first began, were neither better nor worse than are thousands of orchards existing in Ontario. The material out of which an organization could be made was not, I believe, above the average, and for this reason the results are particularly gratifying.

As you are aware, in the year 1907, there were serious losses experienced by apple operators and inexperienced apple growers in the matter of selling their stock, and upon the whole it is doubtful whether the average grower realized more than one dollar a barrel for apples. Do not be shocked at this, because I can assure you that even if apples never realized more than a dollar a barrel on the trees, they would still pay better than any other farm product, except fruit commonly grown on Canadian farms. Nevertheless, by their better organization, they secured for their patrons fully fifty cents a barrel above the average obtained by other growers in the same county. In the past year they have secured over \$2 per barrel for the seven or eight thousand barrels that they have handled; but even the extra price which they have secured for their members is a small part of the benefits which have accrued from co-operation. This large total of seven thousand barrels would not have been secured had it not been for the moral suasion of the organization, which induced the members to spray, prune and take care of their orchards properly.

#### CO-OPERATION IMPROVES QUALITY AND QUANTITY.

Indeed, the largest gain accruing as the result of co-operation is, I think, in this case, the increased quantity of crop and the superior quality. Upon this point particularly I wish to dwell. Having immediate charge of the enforcement of the Fruit Marks Act, I naturally attach considerable value to any aids which can be summoned to assist in the work, and I have no hesitation in saying that co-operative associations are worth far more than inspectors beyond a limited number. Indeed, there would be little use for inspectors at all in the apple business if the growers were all as thoroughly organized as the Forest Association is. Our inspectors made many examinations of the pack going out from the Forest Association and in no case did they report them wrong. This is direct evidence of the excellence of their pack. The indirect evidence comes from letters to the Fruit Division from private individuals who have purchased this stock and who, while condemning Ontario apples generally, do not fail to make an exception of the pack of the co-operative associations where they have had an opportunity of sampling them.

*Chatham (Kent Co.) Association.*—I should also like to direct attention to the Chatham Association farther south in the county of Kent. This is one of the older associations where the organization is thoroughly established and where the good work has been apparent for many years. For reasons which I have urged elsewhere, the apple industry was in a precarious condition in the county of Kent a few years ago. The growers, individually, were unable to cope with the difficulties that confronted them. They did not appreciate the changes which are so rapidly taking place in our Canadian life. Many of the orchardists in Kent county, I regret to say, are still doubtful whether orcharding pays or not.

At this point an organization was established in Chatham with Mr. W. D. A. Ross as manager. Mr. Ross, unlike Mr. Johnson, of Forest, is not a large fruit grower,

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In fact, his main business is altogether in another line, though his interests are identical with the fruit-growers' interests. With more than ordinary intelligence, with very great patience and with a public spirit that deserves much more recognition than it is likely to get, he has held this association together until it now numbers nearly seventy members. The output runs up into about twenty carloads of green fruit, one car of evaporated waste and about a thousand cases of evaporated apples. The returns this year have probably yielded within a few cents of \$2 per barrel on all apples handled. This association comes well south into the tender fruit district and they are working at a disadvantage by not having a proper cold storage system. But notwithstanding the lack of a cold storage plant they have succeeded in giving general satisfaction even with early and tender fruit and have so managed affairs as to have very few losses; very little fruit going to waste.

## THE EVAPORATOR SAVES FRUIT AND IMPROVES THE GRADE.

In order to ship a higher grade of apple, they have put in an evaporating plant which has been increased in size this year, and will be doubled next year. Thus the evaporator gives them a chance to discard all defective fruit and fruit too mature for shipping. This material is just in the finest condition for evaporated stock and in consequence they are able to realize almost green fruit prices for this second grade stock, which would under other circumstances be waste stock. I direct particular attention to this feature of the organization. It is very true that only three or four of the co-operative associations have established evaporators in connection with their business. This is because the Canadians are so unfamiliar with co-operation that they cannot be readily induced like the Danish farmers to put money into co-operative ventures of this sort. But the idea is growing and I confidently expect as the organizations become better known that an evaporating plant will be considered an essential feature of every apple association. It is not too much to say that if the waste apples that might with reasonable care be utilized for evaporating stock were saved, the revenue from the Canadian orchard could be nearly doubled. The Chatham Association people were able to increase their returns by one-third through the evaporator. But still further improvement in this respect will take place in the future. The plant is not yet large enough to take care promptly of all the stock that is offered, and notwithstanding the splendid arrangements of last year the hot weather spoiled a large quantity of apples that would have been good evaporated stock.

*Norfolk County Association.*—Another association that does most excellent work is located at Simcoe, Norfolk county. In none of the associations is the result of individual effort more noticeable than here. The manager, Mr. James Johnston, is the life and soul of the association. Without him it is doubtful whether the association would have been formed, and it is certain that it would not have been carried on so vigorously nor extended its operations over so large an area. They are engaged wholly on barrelled apples and have secured some phenomenal prices as the result of careful grading and excellent packing.

## CO-OPERATION ENCOURAGES SPRAYING.

Perhaps the feature of Mr. Johnston's work that stands out most markedly is the value of a co-operative organization for educational purposes. Simcoe is in District No. 1, where we have in a degree all the effects of an early and long season with a comparatively warm summer. The codling moth is perfectly at home here. In all probability the larvæ are developed continuously throughout the summer. Apple scab is very much in evidence and, generally, all orchard pests find a congenial



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habitat. As a result, apple orchards that are not sprayed are usually almost unmarketable. Mr. Johnston has entered upon a vigorous crusade in favour of spraying and better care of orchards generally among his patrons, and has succeeded so well that the Simcoe Association ship probably one-half of all the No. 1 apples leaving Norfolk, although the number of orchards controlled by them is an exceedingly small fraction of the total number of apple trees in the county. The result has been, that not only has the cooking and dessert quality of the apples materially increased but even the keeping qualities are much better. It will thus be seen that the advantages here are not of that selfish order that accrue to one individual or class of individuals. The consuming public as well as the producers are deriving a great benefit from this association.

*The St. Catharines Association.*—The largest association is that at St. Catharines. This association has been particularly fortunate in having at its head a number of energetic and public spirited men who have succeeded most admirably in organizing the small growers that have always made fruit growing a specialty in this district. The work was perhaps all the harder from the fact that these growers have been able to make a good living working individually. It was necessary to overcome the disinclination that such men have of changing a condition of things that is not altogether bad for something yet untried. The association had to work against several fruit dealers who made a business of buying fruit locally and supplying special customers.

The present manager, Mr. Robert Thompson, has been connected with the association since its inception in a modified form in 1898. It does not at all detract from the good work done by others to say that to him belongs the credit of making this the largest co-operative fruit association in the Dominion, and one of the best managed. The membership is now three hundred. The turnover approaches the hundred thousand dollar mark. The bad debts are also a vanishing quantity and not a cent has been misappropriated. The financial benefits that can be definitely calculated reach at least 20 per cent of the turnover of each member and in the aggregate amount to thousands of dollars. But the benefits are not confined to the members. The general public directly and indirectly have benefited probably quite as much as the members, and all are willing to concede these extraordinary results to the unselfish and unremitting efforts of the manager. Mr. Thompson, in the tangible form of this association, has founded a claim to a place among the most honoured of Canadian citizens.

The growth of the association was at first fairly slow, and it was not until the advantages of co-operation were many times demonstrated that they succeeded in securing the almost universal confidence of the growers. Even yet the association has to contend with the subtle ways of the selling agents, who are continually endeavouring to poison the minds of the co-operative patrons and who do not scruple to misrepresent the quality of their own goods as well as disparage the advantages of dealing through the association. These agents do not hesitate even to attack the motives of the co-operative leaders, and nothing but the most straightforward and democratic management could have succeeded in keeping the organization together against the opposition of powerful manufacturing combinations and the sinister insinuations of their agents.

#### FRUIT GROWERS, ORGANIZED VS. BASKET MAKERS.

The season of 1907 demonstrated most satisfactorily the advantages of thorough organization of the fruit growers. The association wished to place a large order for baskets. The basket makers asked \$33 per thousand for this particular size. This was considered too high a price, and all the available factories were approached with a



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view of getting a lower figure; but the same price was quoted by each. It became evident that the basket makers had an 'understanding' with regard to price. The result was that the co-operative association placed an order in the United States, and although they were obliged to pay a heavy duty upon a price higher than was actually paid for the goods, they succeeded in securing their baskets at a reduction of nearly \$8 per thousand. This was evidently the first time the basket manufacturers were opposed to an organization as powerful as their own and they appreciated that a new condition of things had arisen. They became amenable to the power conferred by co-operation, and as a consequence the St. Catharines Association will this year place an order for a million baskets with Canadian basket makers at a saving of about \$4 per thousand over the price that was originally asked by the basket makers and, of course, at a very large saving over the price that the basket makers could afford to sell to individual growers. The saving on this one item alone would, in all probability, pay the running expenses of the association.

To show the extent to which this association is furnishing its members with supplies, I submit the following schedule of the supplies handled by the St. Catharines Cold Storage Company during the season of 1908.

550,000 m grape baskets.. . . .	\$17,600 00
300,000 m 11 qt. baskets.. . . .	12,000 00
7,000 berry crates.. . . .	140 00
350,000 " boxes.. . . .	1,050 00
6,000 apple boxes.. . . .	1,000 00
3,000 pear boxes.. . . .	450 00
1,500 pkgs. basket fasteners.. . . .	210 00
3 large spray pumps.. . . .	130 00
55 hand spray pumps and accessories.. . . .	1,100 00
2,000 ft of rubber hose.. . . .	200 00
5,000 lbs. arsenate of lead.. . . .	700 00
250 " paris green.. . . .	70 00
10,000 " blue stone.. . . .	575 00
140,000 " sulphur No. 1 and sublimed .. . . .	2,100.00
8,000 " muriate of potash .. . . .	180.00
1,000 " nitrate of soda .. . . .	27.00
60,000 " bone meal .. . . .	840.00
1,000 " binder twine .. . . .	100.00
300 " grape twine .. . . .	50.00
1,200 bush lime .. . . .	240.00
33 bbls. prepared lime and sulphur .. . . .	396.00

*By Mr. Currie (Simcoe):*

Q. What is the price of the sulphur and for what is it used?

A. It is obtained for \$1.33 per hundred lbs. in carload lots. The individual farmer going to buy it in small quantities would probably pay four to five cents a pound. Sulphur has now become a very important item in the list of articles used on the fruit farm. Combined with lime it forms the lime and sulphur mixture that is a specific for nearly all the insect and fungus pests that can be attacked in a dormant condition. It is applied just before the leaves appear in the spring. Another very large item is commercial fertilizers. This is likely to be a larger item still in the near future.

In few articles is the chance for deception greater than in commercial fertilizers. Only the expert knows whether value is being received in the case of commercial fertilizers and tens of thousands of dollars are being lost every year to far-

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mers through the frauds perpetrated in this article. The value of co-operative associations is demonstrated here. A few weeks ago the manager of this association was placing a very large order for a fertilizer. Prices were submitted by the representatives of different selling firms. The manager asked for samples of the material. These samples were submitted to the Dominion analyst and on the results obtained from him the order was given at a probable gain to the association of many hundreds of dollars. This would have been an impossibility if the fruit growers had worked individually. They would not and could not have gone to the expense, individually, of having an analysis made, and even if that were possible they could not have gone to the expense of paying the extra cost of seeing that the delivered article agreed with the sample.

#### MECHANICS AND FRUIT GROWING.

One of the features in the history of the co-operative association at St. Catharines deserves special mention. St. Catharines, owing to the power that is developed by the Welland canal, is the centre of a large manufacturing district. Many of the labourers in the mills and factories in the neighbourhood have noted the successes attending the efforts of the fruit growers. A large number of them have extended their fruit growing experiments from the gardens about their cottages, by purchasing tracts of land in the immediate neighbourhood of the factories and planting these to fruit. Later they have left the factory and depend now solely upon fruit growing as an occupation. There is no better evidence that fruit growing in these large areas suited by soil and climatic conditions, is likely to bring back to the land a great many men who would otherwise have spent their lives at the less remunerative and unhealthy work of a factory hand. Naturally this has had an effect upon the price of land, which has almost doubled in the neighbourhood of St. Catharines. Of course, this will not be a matter of regret to those who have tracts of land for sale, but economically it illustrates the widespread influence of the co-operative movement. In this case the land owners have, perhaps, never appreciated the true source of the increased value of their lands. Even the merchants would be at a loss to account for the prosperity in which they are sharing. The transportation companies appreciate the increased business and are now giving much better facilities than were offered in the old days of haphazard shipments by individuals.

#### CO-OPERATION AND COLD STORAGE.

The St. Catharines Association have also demonstrated most conclusively the value of cold storage in connection with the fruit-growing industry. They have a concrete insulated cold storage warehouse with mechanical refrigeration which is used almost exclusively as an adjunct to fruit growing. They make no attempt to hold ordinary fruit products out of season. They use it simply to keep fruit in good order which the conditions of the market or transportation facilities make it necessary to hold for a few days. It is used very largely, too, for the purpose of holding over fruit from Saturday to meet Monday's market in the large cities and towns of Ontario. It is used also in holding fruit until it can be utilized by the local canning factories. Of course, the pre-cooling of fruit intended for long shipments, is a feature that is likely to be used in the future to a greater extent than in the past, and when properly done will probably ensure the safe shipment of the very best tender fruits to all parts of the Northwest. Any one who is anxious to understand the advantages of co-operation cannot do better than visit the St. Catharines Association and see in the thousand and one ways how great a boon this movement is when properly applied.

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The managers of these successful co-operative associations are true apostles of a code of business morals all too rare in the English-speaking world. To achieve such results as they have, something more than 'common honesty' was required. Had they adopted the ordinary 'business is business' standard of conscience that has created our 'merchant princes' and 'Napoleons of finance,' they might have appropriated, without a word of reproach from others, the large surpluses which have been distributed by co-operative methods among those who earned them. Consciously or unconsciously but literally they have practiced the golden rule. Too often I think many of us have been content to admire it on occasion and commend it to others. They have literally obeyed the injunction: 'The husbandman that laboreth shall be the first partaker of the fruits.' The philanthropy of the modern business world would be more considerable or at least more cautious. It would 'muzzle the ox that treadeth out the corn,' for fear of a surfeit.

That these men have done this (with us) pioneer work, and have done it so successfully without the thought of reward other than that of a good conscience, seems a partial realization of the prophetic vision:

'When all mine and thine shall be ours, and no more shall man crave for riches that serve for nothing but to fetter a friend for a slave.'

## FAILURES AND PARTIAL FAILURES.

A fair degree of success has been attained by the larger number of co-operative associations so far organized. A few have failed outright. A study of the causes of the partial or total failure of these few associations is interesting. In most of the cases the causes of failure are in the people themselves who form the association. Outside influences against co-operation are always present in a varying degree but where the people themselves possess a fair degree of intelligence and public spirit, outside influences are powerless. It is not expedient to delay co-operative organization until all the people, or even the greater portion of them, are mentally and morally constituted as we would wish them to be.

A false economy accounts for many failures in farmers' combinations. For instance, the first manager of an association now dwindling was a most capable man, who asked something over a thousand dollars for his services as manager during the fruit season, and he was well worth it. After one successful season, the economically minded in the association favoured the hiring of a manager some three hundred dollars cheaper. The saving of three hundred dollars in salary resulted in a probable loss of three or four times that amount in a less successful business management. This, however, could only be ascertained by an estimate, and therefore could not be brought home to those who were responsible for this false economy in a manner definite enough to make them change their methods.

In another case two of the most extensive growers, prominent in the movement till harvesting time, were seduced from the association by a higher price for their apples than they were sure of obtaining through the association. The higher price was given by an agent for a large English buying firm who hoped in this way to introduce discord into the association and keep this particular district a preserve for himself and his firm. The desertion of these two members practically brought about this result: the few who remained were not able to do much better in price than some outsiders. Next year no association was possible.

In still another case, the manager was suspected of accepting a personal commission, without the knowledge of the association, for all apples sent to a certain firm of commission men. The circumstances certainly lent some colour to this allegation. True or false, however, the patrons lost confidence in the manager. If the association had been formed of the best material, the charge would have been investi-



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gated, the manager either exonerated or discharged, and work would have gone on with little or no interruption. As a matter of fact nothing was said publicly, but a great deal of gossip floated around privately and member after member dropped out until the association dissolved.

#### LEADERS ARE LACKING.

The petty jealousies of neighbours, the foolish reticence which some people think necessary in business matters, the suspicious attitude often mistaken for caution, together with weakness, stupidity and downright selfishness, make it difficult to secure any kind of cohesion in some neighbourhoods; but speaking generally it may be said that the people, though not as well prepared for co-operation as they should be, are ready for it, but the leaders are lacking. In many places, however, the leaders exist though in an embryonic condition, and all that is needed is a little assistance in organizing that will give an opportunity for these men to assume responsibility, when many of them would develop into excellent co-operative managers. The conditions in Ontario and in the Annapolis valley, Nova Scotia, are hopeful; in British Columbia the prospects look even brighter for the co-operative movement. The country is new there and fruit growing is being taken up by a class of men more than ordinarily intelligent. Educated men and men who have made a success in other lines of business, are taking up fruit growing in this province, with the result that the co-operative movement has a trained class of men for its basis, rendering unnecessary the preliminary educative process that is so burdensome in some parts of the older provinces.

#### CO-OPERATION SHOULD BE ENCOURAGED

I cannot too strongly commend this movement to this committee, and I sincerely trust that some way may be devised whereby the organization of these associations may go on more rapidly in the future than they have in the past. I have endeavoured to show the value of them, and I have also shown, I think, the many opportunities there are for more of them being established. The whole district from Kingston to Goderich in Ontario, all the fruit growing districts in British Columbia and the fruit growing district of Nova Scotia present opportunities for hundreds of these fruit associations.

It is the duty of everyone who has the shaping of public opinion to do his utmost to bring about these organizations. They differ from the ordinary trade combine in this, that while they possess all the economic value which the manufacturing and trade organizations have, they are practically incapable of working the evils that are sometimes the accompaniment of manufacturing and trade organizations. If you will recount the benefits which I have mentioned to you of these co-operations, you will find that none of these are at the expense of any other class of citizen. Even in the case which I cited where the basket manufacturers were obliged to reduce their price, it was in the end no real loss to the manufacturers, because when the basket manufacturers had accommodated themselves to the conditions of the co-operative associations, they found they could dispense with a very large amount of agents' fees; consequently, they are really getting more for their baskets now than they got before the co-operative associations were formed, although the fruit growers are getting their baskets so much cheaper and the consuming public are getting the benefits of these through better and cheaper fruit. This is equally true with regard to commercial fertilizers; but most of the benefits which I have mentioned are entirely apart from even this apparent diminution of profits accruing to any other class of the community. They are true economical gains. The better education that results in better fruit and more of it for the same investment of capital and skill; the lessening in the cost of operations as the result of doing it upon a large scale and with better imple-



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ments, are all actual creations. As the result of co-operative associations, something exists now that never would have existed except for their instrumentality.

## THE ORGANIZATION OF FRUIT GROWERS BENEFITS ALL CLASSES.

For this reason I make a plea that dwellers in the cities, as well as the manufacturers and the merchants everywhere, have a distinct interest in this co-operative movement among the farmers. It detracts from no one's profits and it adds to every one's income and comfort. Not a citizen of any sort but what gets his share of the benefit, and therefore it is a movement peculiarly fitted for a government propaganda.

## EFFECT OF SOIL AND CLIMATE ON THE FLAVOUR OF APPLES.

*By Mr. McIntyre (Strathcona):*

Q. Reverting to the matter of flavour in apples, do climate conditions have anything to do with flavour of apples?

A. I think so, most decidedly.

Q. Rightly or wrongly in western Canada we find that many of the apples that come from British Columbia and from Oregon and Washington, particularly from the coast, where the temperature is equable, do not have the flavour of the apples that come from the eastern provinces of Canada. Whether or not that is due to the climate is something upon which I would like to have your opinion?

A. Certain varieties are adapted to certain localities and are not so well flavoured if grown elsewhere. But apart from this the climate and, to a certain extent, the soil have a decided effect upon any variety. The apples, for instance, grown in the warmer and more moist parts of British Columbia are larger and coarser in texture compared with the apples grown where the rainfall is normal. The apples there are not so crisp nor quite so acid and, generally, not so highly flavoured. The smaller and better flavoured apples in British Columbia come from the irrigated districts or from the districts having a moderate rainfall. In Ontario where apples are grown under various conditions, the quality varies. If the soil is fertile and the trees are pruned and thinned so as to get few on a tree, the quality is likely to be good.

*By Mr. Sealey:*

Q. Do I understand that the suggestion to have a survey of the various sections of the Dominion is largely based on the view that the matter of elevation has some bearing on the matter?

A. Elevation and latitude and the proximity of large bodies of water

*By Mr. Currie (Simcoe):*

Q. What about the soil?

A. The soil is a feature but its peculiarities can be corrected to a very large extent. This is not the case with climatic conditions.

*By Mr. Sealey:*

Q. The matter of education seems to be a great thing at the present time. I am sure we have all listened with great interest to what has been said and been benefited by the address. The suggestion of a complete orchard survey if taken up now would, I suppose, take a number of years to develop?

A. A helpful tentative map could be sketched immediately. It would take some time to perfect it in detail.

*By Mr. Sharpe (North Ontario):*

Q. What are the chief varieties of winter apples?

A. The Spy, Baldwin, Golden Russet, Greening, Ribston, Blenheim, King, Ben Davis and Stark.

Q. These are the ones you would recommend?

A. Yes, these are the money making varieties.

*By Mr. Armstrong:*

Q. What new varieties of winter apples do you recommend?

A. There are few varieties that can be confidently recommended. The Milwaukee for District 4 is favourably spoken of. For commercial orchards we can recommend only the old varieties. Mr. Macoun, horticulturist, at the Experimental Farm, has developed a number of seedlings, some of which promise to be of great merit especially in the colder portions of Canada.

Q. Has the government not experimented in different parts of the province of Ontario as to the different varieties?

A. The Dominion Government has not, but the Provincial Government in connection with the fruit growers' association have had a number of experiment stations where this work is carried on. The Experimental Farm at Ottawa has a climate too severe for the apples that would be profitable elsewhere. The Provincial Government has now an experimental farm at Jordon Station under the superintendence of Mr. H. S. Peart, where experiments of this nature will also be made.

*By Mr. Blain:*

Q. How far north in Ontario can winter apples be successfully grown?

A. No hard and fast line can be drawn, but in a general way it may be said that if a line be drawn from Kingston to Sharbot Lake then west to Georgian Bay, all the counties south will grow winter apples.

Q. Is the territory bordering on the Georgian Bay and Lake Huron well suited for fruit growing?

A. Yes, for winter apples there could not be better. Many favoured localities in this district are growing plums also most successfully.

*By Mr. Nantel:*

Q. You spoke of the spray. What kind of spray do you recommend?

A. The Bordeaux mixture composed of sulphate of copper and lime is the most useful.

*By Mr. Currie (Simcoe):*

Q. You do not approve of the dust spray?

A. No, it is not satisfactory with us.

*By Mr. Armstrong:*

Q. What is the department doing to urge the establishment of those co-operative associations that you spoke of?

A. A bulletin (No. 18) has been distributed. Several of the fruit division staff have spoken at fruit meetings on the subject. I find that I have spoken on this subject at eight meetings this year.

Q. I should have thought that would have been one of the most important matters for the department to take up?

A. Nothing at the present moment is of more importance to the fruit industry. It includes and implies nearly every other reform that is pressing. I can assure you we are alive to its importance.

The CHAIRMAN.—I am sure we have appreciated the address Mr. McNeill has given, and I hope that the people will get this information and study it.

Having read over the foregoing transcripts of my evidence, I certify the same to be correct.

A. McNEILL,  
Chief of Fruit Division.

PART II.  
IMMIGRATION AND COLONIZATION





## IMMIGRATION.

HOUSE OF COMMONS,

COMMITTEE ROOM No. 34,

WEDNESDAY, April 1, 1909.

The Select Standing Committee on Agriculture and Colonization met at 11 o'clock a.m., Mr. D. A. Gordon (Kent), presiding.

The CHAIRMAN.—If the Committee comes to order we will hear Mr. Scott's report on the question of immigration.

Mr. W. D. Scott, Superintendent of Immigration, called and examined:—

Mr. SCOTT.—That is not exactly what I was asked for. I was directed to appear before the Committee for examination upon matters pertaining to immigration, and to produce all the correspondence with Mr. N. B. Miller, late Immigration Location Agent for Lennox, from the time of his appointment up to the time of his dismissal; also information in regard to other men who occupy like positions and if any defaulters among them, who they are; a statement showing the number of persons who left Canada for the United States during the past year and were turned back; a statement showing the number of persons who left Canada during the last fiscal year. I may say that we do not collect any statistics of people leaving Canada. We only collect statistics of those coming into the country, and I have the file here along with the correspondence of Mr. Nathan B. Miller.

### GOVERNMENT EMPLOYMENT AGENTS.

*By Mr. Wilson (Lennox and Addington):*

Q. We will take that first. You have the reports, I suppose?

A. I have the file here. I have all the official papers in connection with it except, of course, the claims that he makes. They are accounts and do not apply to this file.

Q. You have a copy of the Spink's letter?

A. Yes.

Q. Would you read that first. You need not read any more than the 5th and 7th paragraphs if you care. That will give us the particulars I want.

A. On January 15, 1907, I issued the following circular:—‘This department has decided to appoint a number of Canadian government employment agents at different points, to secure positions as domestic servants or farm help for British immigrants, and you have been recommended as a suitable party to act in your vicinity. Booking agents in the United Kingdom are being notified of the action about to be taken, will be furnished with a list of names and addresses of agents appointed and requested to offer the services of employment agents to those desiring to avail themselves of such assistance. Every immigrant wishing to be placed by our agents will be furnished with a card of introduction to the agent at the point to which he is proceeding, and a letter of advice describing immigrant, his past occupations and style of work desired, will be mailed to Canadian government employment agent

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some weeks in advance of the sailing of immigrant, which will allow the agent time to select a suitable situation. The Department intends to allow agents a commission of \$2 per head on every man, woman and child placed at farm work, and on every woman placed at domestic service. This commission will be payable only on immigrants directed to employment agents by booking agents in the United Kingdom; and to secure such commission, agent must send card of introduction and letter of advice here, together with another form of which a supply will be sent to those appointed. Agents will be allowed to expend in advertising in the local press to secure a list of help wanted an amount not exceeding \$10. With the exception of commissions and advertising mentioned the department will be responsible for no expense incurred by its agents. Immediately upon receipt of this letter kindly telegraph me stating whether or not you are willing to accept the position. If you accept, full instructions will be sent you later.' Mr. Miller telegraphed me on 4th February, 'Will accept the appointment of employment agent.'

Q. Is there not a clause which states that 'You must not take or attempt to secure situations for men or women at anything outside of farm work or domestic service?'

A. On January 15 I issued another circular.

Q. January of what year?

A. 1907. The first circular was on January 15 too. I addressed this circular to Nathan B. Miller: 'Your appointment as Canadian government employment agent is to commence on February 15, 1907. Your duties will be to secure employment in your vicinity for newly arrived immigrants from the United Kingdom desiring positions on farms or as domestic servants, and for this service you will be paid \$2 for each person so placed. In placing families you will be allowed the commission on the wife and children as well as on the husband. No commission will be allowed on immigrants placed in any other occupations than as farm help and domestics. The department is notifying all booking agents in the United Kingdom of your appointment, and as soon as an immigrant applies to them for a ticket to your vicinity he or she will be told your name and address, and if the party wishes to avail himself or herself of your services, the booking agent will immediately write to you on a form similar to the one enclosed. The information contained thereon will enable you to judge of about the time such immigrant will arrive, and also enable you to form an opinion as to the most suitable position available. Upon arrival immigrant will present a card of introduction from the booking agent (sample enclosed) which will identify the party as the one regarding whom you have received correspondence. After placing the party at one of the prescribed occupations you will send me the card of introduction together with the form of advice received by you from the booking agent, and your statement as to where the immigrant was placed (book of forms for this purpose under separate cover) and you will receive your commission in the course of about three weeks. To obtain information as to those who require help, you will be allowed to expend in advertising in the local press a sum not exceeding \$10. Upon presentation of accounts in triplicate certified as correct by yourself, the department will pay direct to the paper or papers doing advertising. Underneath is a sample of an advertisement which with insertion of name and address will answer the purpose. The department will be responsible for no expense incurred by you with the exception of the \$2 per capita commission and the maximum \$10 for advertising. In the book sent under separate cover it is important that you always fill in the agents stub as you have then a complete record of each transaction which may be of value in the event of any dispute between the employer and employee or between this department and yourself. You will be expected to act at all times in the best interests of the immigrants and in the event of disputes between them and their employers give them such advice as your experience would suggest. If there is any point in connection with your duties upon which you are not clear I will be pleased to give all information possible. No postage is required on letters addressed to me.'

## APPENDIX No. 2

Q. Have you got the circular dated February 1, 1908? That is the one furnished to me.

A. I am going back a year before that.

Q. You have not read the clause yet in the circular of February 1, 1908. I want to say that he was not entitled to payment for locating on anything but farms and that he was not allowed to interfere at all in getting employment for any other class but farm hands and domestics.

A. Certainly not.

Q. I want you to turn to Mr. Miller's report number 8328. That is the report regarding Mr. William Spinks wife and children.

A. I have not that on this file. I have only the general correspondence.

Q. This is what he reports:—'May 29, 1907. This is to certify that I have this day placed Mr. William Spinks, wife and children, Alick, Walter, George, Albert, Mabel and Nellie, who landed at the port of Quebec on the 25th day of May, 1907, on the steamship *Canada* as a farm labourer with Mr. C. Dennison, of Napanee, province of Ontario, to work on his farm. The following are the terms of engagement:—\$25 per month for five months.' Now you wrote a letter on February 26, 1908, to Mr. Dennison. Would you tell us what caused you to write that letter?

A. When we first started using these employment agents the thing was an entirely new departure and I wanted to ascertain the degree of satisfaction that those immigrants who were being placed on farms were giving and I issued a circular. For instance here is a sample. The circular reads:—'It has been reported to me that so and so an immigrant who recently arrived in Canada engaged with you as a farm labourer. I would be pleased if you would let me know if such is the case, stating if he is still with you, what kind of satisfaction he is giving, and what wages he is receiving. I desire this information in order to form a fair opinion as to the satisfaction immigrants are giving to Ontario farmers. Please reply on space underneath and use enclosed envelope upon which no postage is required in mailing your answer to me.'

Q. Well had you any suspicion that any of the agents were making reports to you that were not true?

A. None at all.

Q. Would you mind reading this letter which you got from Mr. Dennison. You might read your own letter and then the answer.

A. Mr. Dennison of Napanee was sent one of those circular letters in regard to William Spinks, wife and seven children on February 26. On February 29, 1908, he replied to this effect:—'I received this note from you to-day. I am in the grocery business and not a farmer. In regard to William Spinks and family I just happened to meet them the day he arrived here with his family and helped him to find a house to move in. He is a carpenter by trade. He is a clever fellow and is doing well. The older boys are at work learning trades and the smaller ones are going to school. He and family like it here very much and from what I have heard him say he has no desire to go back to England. In my opinion such families as Mr. Spinks' are welcome here.'

Q. After you received that answer from Mr. Dennison what did you do? That was nine or ten months after the report sent in by Miller was it not?

A. On March 25, 1908, I wrote to Mr. Miller and said: 'I beg to inform you that unless you can show reason why I should not do so the following commissions already paid to you will for the reasons set forth in each case be deducted from your future earnings.' I gave him a list of the people that had not been placed. William Spinks is amongst those. The reason given to Mr. Miller for not allowing the claims was that they were not farming.

Q. What reason did Mr. Miller give you at the time for reporting them?



A. I could not say I am sure.

Q. Did he not write to you?

A. I do not see any reply to that.

Q. It seems to me very strange that you should have called his attention to that. Now I know something about this case because I talked to Mr. Spinks myself and to Mr. Dennison and I discussed this question on the public platform at the elections and I have not been served with a writ or anything of that kind since. Mr. Spinks an Englishman who landed in this country, was met by Mr. Dennison who is a grocer in our town. Spinks went to him and asked if he could assist him in getting a house. Mr. Dennison who is a good natured man, said yes, and he did get him a house. Mr. Dennison is a grocer and not a farmer. The way it looked to me is this that Mr. Miller found Mr. Spinks there with his wife and seven children and that he thought this was an opportunity for him to make \$18 easily and he reported as having located this man when he had no more to do with locating him than you had.

A. That is quite true and we notified Mr. Miller on March 25 that this was to be deducted.

Q. You notice that this is a false return?

A. It is.

Q. It is criminal?

A. I do not know. I am not a lawyer.

Q. Did you report the man Waugh to the Justice Department?

A. Yes.

Q. Do you know what action they took?

A. Yes.

Q. What did they do?

A. The man was arrested, I think, but was allowed out on suspended sentence.

Q. You have not reported Mr. Miller?

A. His account is square today.

*By Mr. Monk:*

Q. Has this commission been revoked?

A. Yes.

Q. What did it cost us?

A. Nothing at all. As a matter of fact I think we owe him something to-day.

Q. Did you get the \$18 back?

A. Yes.

Q. Then he was employed after the fraud was discovered?

A. Although our circulars are perfectly plain a lot of those men who are not business men do not understand the conditions very well and there were some who sent in claims that were not right. Where we discovered them we deducted them.

Q. Where is the proof that his commission has been revoked?

A. On 16th February I wrote to Mr. Miller:—'I beg to inform you that it has been decided to dispenze with your services as Canadian government employment agent from this date. Your dismissal is due to your action in sending in commission claims numbers 1930 and 8328, claiming to have placed certain immigrants as farm labourers with G. Deshene and C. Dennison, whereas these parties were respectively foremen for the Grand Trunk Railway and grocery man. Kindly return to me the book of commission claims and other departmental stationery now in your possession.'

Q. When did the fraud occur?

A. It was not fraud in my opinion. I think it was a mistake. He did not understand the conditions and we notified him that these claims would be deducted. We have open accounts with every one of those agents.

Q. It takes place in May, 1907, and you notify them in February, 1909.

A. Yes.



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Q. When did you get the money back?

A. Some time this year.

Q. In cash?

A. Yes, I think it was in cash.

Q. Kindly give the date.

A. I have not the date on this file but I know it was refunded.

*By Mr. Wilson (Lennox and Addington):*

Q. Well, I will have something to say about this case again. Here is another case. Mr. Arthur Wood and wife who landed at the port of Halifax on the 26th day of April, 1907, on the steamship *Ottawa*, and Mr. Miller's claim states that he placed them as a farm labourer and domestic with Mr. G. Deshene of Napanee, Province of Ontario, to work on his farm. The following are the terms of engagement:—Seven months at \$25 per month. Commission claimed, \$4. Signed Nathan B. Miller. Kindly read Mr. Deshane's letter in answer.

A. On 3rd February of last year I wrote to Deschene of Napanee. I said, 'It has been reported to me that Arthur Wood and wife, an immigrant who arrived in Canada some time ago, engaged with you as a farm labourer. I would be pleased if you would let me know if such is the case stating he is still with you, what kind of satisfaction he is giving, and what wages he is receiving. I desire this information in order to form a fair opinion as to the satisfaction immigrants are giving to Ontario farmers.' Mr. Deschene in reply to that wrote:—'The person who reported to you that Mr. and Mrs. Arthur Wood came out here from England as immigrants notified you wrongly. They came here last May but came out on their own hook. That is, paid their own way independent of everybody. When they landed here at the depot the night operator, Mr. Giroux, informed him that I, foreman of the Grand Trunk Railway, was in need of a man and so he came to me and I hired him and he has been in my service ever since with the exception of a few months, and I find him to be an honest, upright and industrious man, and he is not working for a farmer nor has he been.'

Q. Now, that man is a section boss on the Grand Trunk in Napanee, and Mr. Miller had no more to do with getting that man a job than you had.

A. No.

Q. Then his instructions were perfectly clear with reference to that, that he was only to get employment with farmers for farm labourers and domestic servants?

A. That is correct.

Q. Do you think he did not understand that?

A. I cannot say I am sure.

Q. Now that is a clear case in my judgment of where he thought he could make \$4 more—\$18 and \$4 is \$22. Then there is another case here of Alfred Sandell and wife and children, four children. Miller certifies that they landed at Quebec on the 29th of June, 1907, on the steamship *Canada* and that he had placed them as a farm labourer and domestic with Mr. M. Jones of Napanee post office, province of Ontario, to work on his farm. The following are the terms of engagement:—\$20 per month. Commission claimed \$12. Would you read Mr. Jones' answer to that letter you wrote to him.

A. I sent the same circular letter to Jones of Napanee and he replied:—'You have been misinformed. I know nothing of the above named persons.'

Q. \$12 for that. Was that paid?

A. I cannot say I am sure.

Q. Perhaps you can find if it has not been paid. There were a lot of those paid. I know Mr. Miller made a refund.

A. We have open accounts with every one of those employment agents.

Q. Yes, but after you sent a man to Napanee and he saw Mr. Miller, Mr. Miller sent his cheque here and paid the difference.

A. I presume he did.

Q. That statement you have there claims that Mr. Miller owed you \$72 that he had claimed to have placed thirty-six more persons than he had a right to get the money on. But it turned out as I understand, that after a cheque was supposed to have been sent, it never was sent. Consequently you had only a refund of \$34 instead of \$72. That is a pretty clear case of fraud is it not. Now Mr. Jones is a very respectable man. He has been a member of the council for the township of Richmond for many years. He has got practically no politics, and that is what he wrote with reference to Mr. Miller. Here is another man, Thomas Sewedani. Mr. Miller certifies that he placed Thomas Sewedani who landed at the port of Montreal on the 2nd day of August, 1907, on the steamship *Tunisian* as a farm labourer with Mr. D. A. Roblin of Adolphustown post office, province of Ontario, to work on his farm. The following are the terms of engagement:—\$12 per month, commission claimed, \$2. Signed Nathan B. Miller. Now I know Mr. Roblin. He is as respectable a man as lives in the place, a strong party man, and a strong Liberal and there is his answer to that. Kindly read it.

A. He says:—‘Thomas Sewedani has not been working for me. He stayed with my hired man D. Zenoli. He was a baker by trade and was offered a situation at \$10 per week but would not take less than \$25, so could get no employment about here at those figures. The fact of the matter was he would not work. He returned to England last autumn.’ And then he adds this postscript:—‘If experienced farm hands were sent to us they could get any amount of work. But farmers are dubious about engaging inexperienced hands as so many of them prove useless and expect as good wages as our Canadian hands.’

Q. Now how can that be explained Mr. Scott, that he could make a report on a case of that kind?

Mr. MONK.—What is the date of the report?

Q. Miller reported on the 5th August, 1908, and Mr. Roblin did not date his report, but the letter was sent to him on February 27, 1908, and I presume it was within a few days of that. Now here is another case. Mr. Miller reports that he has placed Benjamin Hodge and wife and children, three children, who landed at the port of Quebec on the 29th day of June, 1907, on the steamship *Canada*, as a farm labourer and domestic with Mr. A. Briscoe of Hawley post office, province of Ontario, to work on his farm. The following are the terms of engagement:—\$12 per month, commission claimed \$10, Signed Nathan B. Miller. That is on the 1st July, 1907, and Mr. Briscoe replied. Kindly read Mr. Briscoe’s reply.

A. Mr. Briscoe replied:—‘Said man never reached us. Altogether likely some person had hired him before he reached us?’

Q. Why should you pay a commission on such a case?

A. If we paid it we deducted it.

Q. What would you have done if there had been no reply at all? Suppose Mr. Briscoe had not replied to your letter what would you have done?

A. We would have deducted it.

Q. How would you know you would have done that if he had not replied?

A. If we did not get any reply we would take it as good evidence that we had not got the man placed.

Q. That is showing very little faith in your agents.

A. A great many of those farmers were sent men, but a man might have had three or four miles to go and I know of many instances where farmers along the road hired them before they were sent.

## APPENDIX No. 2

Q. You have got the original documents.

A. Yes, I supplied them to Mr. Wilson.

Q. Now there is a case which I want you to explain because it is a little different. It is that of Mr. Fred. Stockwell and wife and children. Elizabeth, Catherine, Edward and Beatrice, who landed at the port of Portland on the 14th day of April, 1907, on the steamship *Kensington* and are reported as having been placed as a farm labourer and domestic with Mr. George Clements of Deseronto post office, province of Ontario, to work on his farm. The terms of engagement are \$26 per month, the commission claimed \$14. There are two reports on this case and I would like you to read them. You wrote this man a letter on February 26, 1908, and his answer in his own handwriting is there I think.

A. I wrote to Clement on February 26th and on February 29th he replied:—*'Re Fred. Stockwell. He worked for me about three months after his arrival here but not at the farming. I am in the contracting and building. Stockwell gave me excellent satisfaction and is a sober, honest and industrious man. I paid him \$9 per week as helper. He has worked the balance of the season for William H. Harvey, a cement contractor of this town, and received from \$1.75 to \$2 per day.'*

Q. He did not work at farming at all apparently?

A. Apparently not.

Q. Well there were some others that he reported and you wrote to him and got no reply. In those cases you allowed him full commission.

A. I cannot say I am sure.

Q. How can we find out?

A. If I heard the names I could tell you.

Q. Well, we will have to give them to you. Turn to 3931. That is the case of George Williams. In that case he only stayed one day.

A. Mr. O. M. Williams wrote saying:—*'Last spring I was very much in need of a man and could not get one around here. Mr. Nathan Miller was appointed to supply farmers with these immigrants as they came over. I bought a ticket in Napanee which I paid \$5, thinking I could not do any better, and sent it to Montreal. The man Williams came. I drove seven miles to meet him. He stayed with me one day. He said he did not take to farming. He was simply no use whatever, but needing a man so much I thought to try and do my best by patience and trying to learn him, thinking he would become satisfied, but it was no use. He simply walked off. I forbid him going without paying me for the ticket. He gave me \$3. The balance I lost. He also went across the bay from here and persuaded a chum of his who had hired with a farmer to leave too.'*

Q. Did you pay commission on that?

A. I cannot say without looking at the accounts.

Mr. MONK.—I suppose it cost us \$5 to bring him out from England.

A. Not necessarily.

Q. That is the kind of farm labourers you are bringing in.

Mr. SMITH (Nanaimo).—That is only one.

A. We are liable to make mistakes, but I am glad to say that the class of immigrants we are getting in Canada today is the finest in the world, including the much despised Englishman.

*By Mr. Wilson (Lennox and Addington):*

Q. Who are they despised by. I do not think it is fair to say that.

A. We are receiving the very finest class of immigrants.



Q. And you have given your agents new instructions that have been advocated by the opposition for years.

A. I do not know anything about that.

Q. I do. If you look at Lord Strathcona's report or at Obed Smith's report, you will find that they state it is quality they want instead of quantity. Now, that is what we have advocated for years.

A. That is what we are getting now.

Q. I am very glad to hear it. That is what we want. These men have made a speciality of it in the report pointing out that these instructions have been given and that we must get a better class of immigrants—quality rather than quantity. Now turn to 1933, That is the case of E. R. Knight.

A. Mr. W. J. Bowen wrote:—'E. R. Knight came to me but only stayed three days and left for city or town.'

Q. That was not a farm labourer.

A. I cannot say, I am sure.

Q. Turn to 9327. That is the case of Herbert J. Paul, wife and three children.

A. Mr. James Breckenbridge wrote regarding Herbert J. Paul:—'I did have an immigrant but not Mr. Paul and wife. I had a man by the name of William Morrer, from Belfast, Ireland. He was a married man but his wife lived in Belfast, Ireland, and I must say he was as good a man as I ever worked with, that is after he got a knowledge of the work. I paid him \$15 a month. He only worked for me three months. He was a draper by trade and of course farming and him did not hitch very well, but while he was with me he was a first-class man.'

Q. Did you pay the commission on the wife although she is in Belfast?

A. I cannot tell you that for I have not the accounts.

Q. It looks like that. I have not the report that Mr. Miller made on the case, but it does seem to me that Mr. Miller having made a false report according to your own statement and got the commission on parties whom he did not locate it was a criminal thing. It does not seem to me that any man has a right to make a false report and draw money on it without being liable to criminal prosecution. Now why did you not take some action as you did in the case of Mr. Waugh of Chatham: why did not you report him to the Justice Department?

A. That is a matter for the minister.

Q. You did not do that?

A. I cannot say from memory. I have no doubt it was submitted to the minister first.

Q. By whom?

A. By me.

Q. You have not done that yet.

A. No, not in this case.

Q. What do you think about it?

A. I am not expressing any opinion.

Q. I think you ought to tell the committee what you think about a case like this. I think it is a very glaring case of a man who has robbed the country of \$72 by false reports and I think there should be some policy in your department as to what should be done with such a man.

A. If you write a letter making a complaint I will lay it before the minister.

Q. Do you pretend to say you do not know anything about a complaint?

A. I know you are making a complaint.

Q. I am simply giving you the documentary evidence from your own books. Is that not sufficient? Did anybody write you a letter asking you to prosecute Mr. Waugh?

A. Not that I know of.



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Q. Why pursue a different course here?

A. Somebody might have written.

Q. It is a little strange to me that you should require a private citizen to tell you what your duty is as an officer of the government. This will have to come up in the House if you do not see fit to have this man properly punished for his misdeeds. We will have to raise the matter on the floor of the House. I see nothing else for it. Now I want to ask you have you known of any other men who have defaulted in their payments.

A. No, I explained to the committee that we have open accounts and where we find that they have made a mistake we deduct it from the next payment.

Q. Have you made any other discoveries of men being short in their accounts like this.

A. I think that when we checked them up there were. We got replies from farmers saying they had not received men and we deducted them.

Q. Were there many?

A. I cannot say.

Q. Will you tell us how many there were in the provinces.

A. There were cases in the province of Ontario and the eastern townships of Quebec?

Q. Have you none in the other provinces?

A. No.

Q. Will you tell us how many men you have in the Province of Quebec placing immigrants? How many are on salary and how many on commission?

A. For placing immigrants there is none on salary.

Q. How many on commission?

A. I suppose 15 or 20.

Q. How many in Ontario?

A. I think about 150.

Q. None of those on salary?

A. No.

Q. All on commission.

A. All on commission.

Q. Could you send to this committee the files of the reports of these men from Ontario?

A. Do you want each individual file?

Q. Yes. You will send them up here in charge of the clerk.

A. I will bring them, but I won't leave them. I have instructions from the Minister not to leave them.

Q. If we go to the office can we see them there?

A. Certainly, any day.

Q. Well, I think we will have to go there and see them. It will be more convenient. But I would like to take a little more active part in seeing that justice is done to the people when men defraud the country.

Mr. WILSON (Laval).—I may say I have been in practice for a good many years and there were many cases of violation of the Adulteration Act tested in our courts. There was the famous maple sugar case for example. I do not think it would be fair to say that a public employee in a department should take upon himself to become public prosecutor especially when one case was made against Mr. Miller. We cannot charge a man and have him prosecuted in a court of justice because he did not report. Of course I think as a matter of general policy, these offences should be punished.

Mr. WILSON. (Lennox and Addington).—In the cases you speak of, were they government officials?

Mr. WILSON (Laval).—They were government officials, but any citizen of this country can make a denunciation if he likes.

Mr. WILSON (Lennox and Addington).—Will you tell us how to proceed?

Mr. WILSON (Laval).—Yes. Before a justice of the peace. This could be prosecuted before a justice of the peace.

Mr. WILSON (Lennox and Addington).—Is it not the business of the department?

Mr. WILSON (Laval).—Yes, the Department of Justice.

Mr. BURREL.—I do not think that the case Mr. Wilson has cited, the maple sugar case, is analogous to the present. In that case it was discovered there was no standard of purity, but I think as a general principle when a government has certain regulations laid down and officers are there to perform their duty, the duty of prosecuting does not fall on private citizens but on the department. No private citizen can or will lay information or prosecute when the rules and regulations of the department are being transgressed and when the officers of the department are eminently the parties to prosecute.

*By Mr. McIntyre (Strathcona):*

Q. How much did the country lose by this transaction?

A. Nothing.

Q. Is the man dismissed?

A. Yes, and the copy of his letter of dismissal has been published in the *Napanee Beaver*.

*By Mr. Molloy:*

Q. Is it not a fact that an agent might be misled by the man who is applying for a place on a farm?

Mr. WILSON (Lennox and Addington).—That is not the complaint.

A. We place men with farmers who have been in other occupations in the old country.

*By Mr. Wilson (Lennox and Addington):*

Q. That is not the complaint at all. The complaint is that Mr. Miller placed men, or said he placed men, that he did not place at all in the first instance, and in the second place he stated that he placed men as farmers or farm labourers who were not farmers or farm labourers.

A. I am willing to admit that is what he did.

Q. And he should be punished.

A. Now we do not pay one of those claims until we get the signature of the farmer.

*By Mr. Wilson (Laval):*

Q. You would not like to say that in every case these parties were acting in bad faith and that they should be prosecuted?

A. Oh, no.

Mr. WILSON (Lennox and Addington).—What do you say about the first case, that of Spinks who was located with a grocer in the town of Napanee, he and seven children. Mr. Miller afterwards found he was located there and he reports that he located him with a farmer when he did not locate him at all, and the man with whom he reported he had located was a grocer.

## APPENDIX No. 2

Mr. WILSON (Laval).—I would like to examine that man under oath.

Mr. WILSON (Lennox and Addington).—There is the written statement.

*By Mr. Wilson (Laval):*

Q. I would like to find out from Mr. Scott how long an immigrant is supposed to work on a farm to be a farmer's help.

A. No time at all.

Mr. WILSON (Lennox and Addington).—But this man did not go on a farm at all.

Q. But suppose he was on a farm one day and made a change. Would you interpret that as a crime if the agent claimed his commission?

A. We would pay it—he had done his part.

Q. Is it necessary that an immigrant should be an expert farmer and have experience in the old country before being brought here?

Mr. WILSON (Lennox and Addington).—Mr. Jury was out here two or three years ago and he said unless a man had been a farmer before they would not pay a commission on his being sent to Canada.

Mr. McINTYRE (Strathcona).—That is a bonus.

A. A different thing altogether.

Mr. WILSON (Lennox and Addington).—That shows that a farm labourer was reported as a farm labourer because he worked as a farm labourer in the old country.

A. An entirely different proposition. You are mixing two things. In the old country we pay booking agents a bonus of £1 per head on farmers and domestics, that is those who have been engaged actually one year as farmers or domestic servants. In placing men in this country we do not care whether a man has been a farmer or not.

*By Mr. Smith (Namaimo):*

Q. What is the amount of commission you pay for placing them?

A. \$2 for each man. Last year we paid men, women and children, this year we do not pay for women and children; only men.

*By Mr. Sproule:*

Q. What evidence satisfies you that you are sending a farmer a man who is accustomed to farming or who is a farm labourer? What evidence have you to satisfy you that you are sending that class of man?

A. We do not handle them here at all. We send a list of our employment agents to the booking agents in the old country. When a booking agent sells a ticket, we will say to some country village, he immediately notifies our agent at that point that he has sold such and such a ticket to such and such a man, giving the necessary information as to his experience, whether he is an experienced farm labourer or a general labourer. Ninety-five per cent of the ocean tickets sold in the old country are sold thirty days before the ship sails, so that the agent has thirty days on this side to look around and find whether he can place that man.

Q. How can you call him a farm labourer if he has not had experience?

A. Some of the best men in this country have had no farm experience in the old country.

Q. If you send me a man how would I know that he was a farm labourer?

A. If you wrote to me we would send your letter to our agent at the point nearest to you and he would select a man whom he thought would be suitable.

Q. A farm hand?

A. If you asked for an experienced hand.

Q. What information have you to enable you to know that this man is a farm hand?

A. The booking agent when he sells a ticket advises our agent that he is a farm hand.

*By Mr. Wilson (Laval):*

Q. You have to take his declaration?

A. We take his word.

Q. An agent in the old country would not write to an agent here about a man who was not a farmer. He would not get any commission?

A. Yes, he would get his railway commission and steamship commission.

*By Mr. Wilson (Lennox and Addington):*

Q. If he was not a farmer in the old country?

A. I say a steamship agent in the old country would get steamship and railway commissions.

Q. But nothing from you?

A. No.

Q. What inducement would he have to write to an agent in this country?

A. To sell him his ticket. It is a great advantage to the booking agent in the old country to know that they can send these men out and get work for them.

*By Mr. Sproule:*

Q. Are we right in assuming that you have no definite information as to the employments of those people before they come here?

A. We have information.

Q. So you write a farmer that you are sending him a farm hand?

A. No, not an experienced farm hand. We repeatedly send out circulars to those employment agents asking how many men they can place. Here is a circular I send out: 'Please let me know by return mail if you are willing to continue in your position as Canadian government employment agent for the present year. It is my intention to correspond at once with the booking agents in the old country and endeavour to secure if possible for each employment agent the number of immigrants required for their districts. Underneath is a form which I would like you to fill out showing the numbers wanted, the month during which they are wanted, and the rate of wages the farmers are willing to pay.' We divide the classes into four:—Experienced farm labourers, single; experienced farm labourers, married; inexperienced farm labourers, single; inexperienced farm labourers, married. The domestics are another class. These are the different classes that we place with farmers. This man replied that he could place 10 experienced farm labourers single in March, 5 in April and 5 in May; 2 experienced farm labourers married in March, 2 in April and 1 in May; 2 inexperienced farm labourers single in March, 2 in April, 2 in May; that he could not place any inexperienced farm labourers married and that he could place 2 domestics in February, 5 in March, 7 in April and 8 in May.

Q. And did you send him any?

A. That is simply his request. I do not know whether he received any or not.

*By Mr. Wilson (Lennox and Addington):*

Q. That is the man you dismissed?

A. I am simply quoting that as a sample of the circular.

*By Mr. Smith (Stormont):*

Q. Was it not a crime for this man to charge commissions on men that he did not place?

A. I would not like to say that.



## APPENDIX No. 2

*By Mr. Monk:*

Q.. He was found guilty.

A. He was.

*By Mr. Sexsmith:*

Q. Do I understand that the government immigration agents in the old country are allowed to pass immigrants to this country other than those on whom they have received a bonus from the government?

A. No, our paid agents in the old country only recommend those to come to this country who are farmers, farm labourers or domestics.

Q. I understood you to say that they might send others in order to get steamship commission.

A. No, I did not say so. We have 2,000 booking agents with whom we do business.

Q. Then you have no way of restricting those people. They can send any immigrants they like.

A. No, we would not allow them to land. They are all medically and civilly inspected at the ports.

*By Mr. Sproule:*

Q. What information have you which justifies you in sending men to fill an order and in assuming that you are sending farm labourers?

A. They are divided up into four classes.

Q. Take the divisions relative to farming—experienced, inexperienced, married or single. Are we not correct in assuming that they have had some connection with the land or farming before they come here, otherwise they could not be put in that category.

A. We distinctly say inexperienced.

Q. Take the experienced class. Suppose I sent to you for an experienced farm hand and you send me a man. How do you reach the conclusion that you are sending an experienced man?

A. From conversation with the man.

Q. He makes a statement on which a bonus is paid.

A. Not necessarily.

Q. If he is a farm hand?

A. Yes.

Q. You have nothing except his own statement.

A. No.

*By Mr. Sexsmith:*

Q. I understand that none but those physically and mentally sound are allowed to land in Canada.

A. That is correct.

Q. I have a report here of the inspector of prisons for Ontario dated 1907, which says:—'Although the year closes with the largest number that have been in confinement in the jails of Ontario within the past twenty years this increase is not due to any increase in crime in the province, but is largely due to Canada, and especially Ontario being made the dumping ground during the past year of some most undesirable immigrants. Every jail I have visited within the past six months has had among its prisoners persons who have been only a few months in this country. Some of them have spent most of their lives in English prisons. Several have admitted that they have been discharged by English magistrates on condition that they would emigrate to Canada. There must be something radically wrong with immigration

regulations that will permit such apparent neglect in the inspection of persons seeking and obtaining passage as immigrants to this country. The whole system of encouraging such people to seek a home in Canada is wrong and the sooner the conditions complained of are recognized and changed the better. It has cost this country a large expenditure during the past year that might have been largely avoided if a more rigid system of investigation and inspection had been made before allowing undesirable immigrants to embark for Canada. The system that permits and encourages immigration without a proper discrimination cannot be defended. Some of the prisoners in our jails do not hesitate to place the responsibility for immigration on the agents abroad who urge them to seek shelter in this country. During the past year it has cost the prisons and public charities of Ontario thousands of dollars to provide for these people, many of whom are quite incapable of earning a living here. Several of them have, when landed in this country, been afflicted with chronic diseases which could not pass unobserved if a proper inspection had been made. It is a mistake to think that the inspection can be made satisfactorily in the hurry and bustle of landing on this side of the Atlantic. The inspection to be successful should be made before embarking in the old country.'

Mr. MOLLOY.—I hope the department and the government will do everything possible to keep out undesirable settlers, those suffering from disease, and I hope the department will be just as wide awake regarding the people who go from the province of Ontario to the west for if there are any greater scoundrels to be found I would like to know where. The coming of some of those people to this country cannot be avoided. They are bound to come into the country.

Mr. MONK.—I rise to a point of order. A question was asked of Mr. Scott and I think Mr. Scott should be given an opportunity of answering that question.

Mr. BLAIN.—Does not the honourable member think it would be a good thing not to have that word 'scoundrels' go down.

Mr. MOLLOY.—The term 'scoundrel' would apply to those who were arrested and prosecuted in the west last year.

Mr. BLAIN.—My honourable friend makes a general statement that those who go westward from the province of Ontario are scoundrels. I do not think my honourable friend would like that to go down.

Mr. MONK.—I think everything should go down. There is a question put to Mr. Scott which I think should be answered.

A. I did not understand the question.

Q. I understood you to say that no undesirables or people mentally or physically weak were allowed to land in this country, and then I read this statement from the report of the Inspector of Prisons for Ontario.

A. It is the Ontario government report and I would not like to express an opinion about it.

Q. It is the report of the Inspector of Prisons and Jails.

A. I might state this. I have some figures here which show that during the last calendar year, that is the year 1903, we refused admission at Canadian ocean ports to 634 immigrants.

*By Mr. Wilson (Lennox and Addington):*

Q. Why should they have not been refused on the other side of the water?

A. We have no inspectors there.

Q. They should have been—that is my opinion.

## APPENDIX No. 2

Mr. McINTYRE (Strathcona).—That report was up before and it was shown that the Ontario government themselves were making very little restrictions. They were aiding the Salvation Army and other charitable institutions which were bringing out a pauper population.

Mr. BLAIN.—What other institutions?

Mr. McINTYRE (Strathcona).—There is the Church Army. If the member for Peel will only look up the estimates of the Ontario government for 1907 he will find that they paid thousands of dollars to these societies; but here they take the report of the jails and they do not designate the time that those people have been in the country. I may say that the medical officer of the Immigration Department took occasion to visit the prisons and asylums of Ontario and asked those very same officers who made that report to point out where the great hardship was entailed on the province by means of immigration, and according to the report of the officer I refer to, the charges were not substantiated.

Mr. MONK.—He only spoke of trachoma on that occasion.

Mr. McINTYRE (Strathcona).—We will have him here if the committee wishes. I say that the men in Ontario who made that report do not make restrictions on immigration. I want to say this with regard to the medical examination. I have had occasion to visit the ports, at my own expense, to ascertain the kind of medical inspection carried on. I went through the examination for the experience and I passed through as an immigrant.

Mr. SPROULE.—How long did it take you?

Mr. McINTYRE (Strathcona).—Not very long. I asked the doctor how long it would take him to size up my physical characteristics generally. Would he strip me off to find out whether I was an able-bodied man or would he take me on appearances. I asked the doctor if he would submit those people to indignities. Would he have those people actually stripped. Does he know that one of the very best things for Canadian passenger shipping is the fact that the Americans are putting so many frills on their examination. Does he know that the reason why so much passenger traffic is coming into Canadian channels is because immigrants do not want to pass the American immigration examination. Now I do not think we should do anything more than what is sufficient. I will agree with any man in this House in doing what is efficient in the way of examination, but when a number of able-bodied people come along and you have these people stopped by two medical examiners, asked all sorts of questions as to their mental condition I think you have fulfilled all the conditions required. Now here is a point which many people omit when they talk about immigration. The moment an immigrant is bemuddled he is asked to step into a side room. The moment a face rash probably, a most harmless rash, or some eruption on the face is seen, he is told to stand aside, and so with the eyes, if they are temporarily inflamed, he is told to stand aside. When the examination of the ship load is through and the able-bodied people have been passed, those who have been told to stand aside are detained, perhaps for weeks, before they are allowed to go. They are taken to the hospital, they undergo a lengthy examination in the division room, and if the officials are not satisfied they are sent to the division hospital where the chief medical officer examines them. I have every sympathy with those who want good immigrants. I am sure no man in the west at any rate, wants a cursory examination or a careless examination, or wants undesirable people. We must have immigrants even more than the people in the east. They must come, and I will stand up with anybody for a good class. But I do not think we should impose an examination that would be no more than showy.



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Mr. WILSON (Lennox and Addington).—I would like to ask Dr. McIntyre whether he thinks any medical officer or any staff that we have at any port in this country could make a thorough examination of 7,000 people in one day.

Mr. McINTYRE.—(Strathecona).—My honourable friend is speaking as though one man does it. There are relays.

Mr. WILSON (Lennox and Addington).—Dr. Bryce in his report said he had dumped on him in one day as many as 7,000.

Mr. McINTYRE (Strathecona).—I do not think that time enters into this. When you say 7,000 people you must keep in mind that the majority are able bodied people.

Mr. SPROULE.—In the face of the evidence that was given before this committee that there were passed as many as from 3 to 5 per minute—I ask Dr. McIntyre if he would regard that as a sufficient length of time for any medical man to make anything like an intelligent examination of a crowd of people?

Mr. McINTYRE (Strathecona).—You must remember this, that those people are in a line as the medical officers watch them coming along and they may pass in three or five minutes. In passing able bodied men, men who are evidently healthy, I do not think that time is a consideration.

Mr. SPROULE.—The honourable member is speaking of an extreme type of physical manhood. But take those who are anemic or partially anemic and emaciated and have other evidences of disability, who have been passed by hundreds and thousands. With reference to that class would he regard the examination as sufficient?

Mr. McINTYRE (Strathecona).—I have said that those of a suspicious type of health are set aside and properly examined.

Mr. MONK.—I have a great many questions to ask Mr. Scott, but I do not think there is time to get them answered to-day, particularly if we discuss the points as they come up. I was going to ask if Mr. Scott would come to the next meeting of the Committee.

Mr. SCOTT.—Any day will suit me.

Mr. MONK.—Then I will defer the questions I have to ask.

Committee adjourned.



## APPENDIX No. 2

## HOUSE OF COMMONS,

COMMITTEE ROOM No. 34,

WEDNESDAY, April 21, 1909.

The Select Standing Committee on Agriculture and Colonization met at 10:30 o'clock a.m., the Chairman, Mr. Schell, presiding.

Examination of Mr. W. D. SCOTT continued.

*By Mr. Monk:*

Q. I have another Committee meeting at 11 o'clock and I want to be as brief as possible in the few questions I am going to put to you, more particularly as the bill on Immigration, which is at present before the House, is awaiting the closing of your evidence. Let me ask you in the first place: since when has the department employed the Rev. Mr. Berubé? If you have a contract with him state the terms of that contract and also what salary he is receiving?

A. I think he was employed some time last year on a special mission to the United States on colonization work. He was engaged, I think, for three months at \$100 a month. That amount was to cover his expenses as well as his salary. This year I think he has an appointment for three months on the same conditions.

Q. Would that \$100 a month be all that has been paid him?

A. Yes, I think so.

Q. Would you make sure as to that?

A. Yes, I will.

## METHOD OF ASCERTAINING MORAL QUALIFICATIONS OF IMMIGRANTS.

Q. How do you ascertain the moral qualifications of the immigrants who arrive? What is the method employed at the landing station to find out whether they are thieves or honest men?

A. That is a pretty difficult question.

Q. Will you just say what the method is?

A. Every immigrant passenger that sails from the old country to Canada must fill out a form stating his name in full, country of birth, race of people, destination, whether he has ever been in Canada before and if so when, where and how long; whether he intends to permanently reside in Canada, the sex, age and whether married or single, whether he is able to read and is able to write, his occupation, his intended occupation; whether he has ever worked as farmer, farm labourer, gardener, stable man, carter, railway sectionman, navvy or miner; if so, how long and when; his religion, whether he or his blood relatives were ever insane or had tuberculosis or epilepsy, and if so, full particulars; by whom his passage was paid; whether he is going to join a relative and if so what relative, and the name and address of such relative; the nearest relative in the country from which part he came, and so on. It was also intended to have inserted a question in the form containing these particulars as to whether the purchaser of a ticket had ever been convicted of a felony, but the steamship companies objected very strongly to it. They said that people would simply lie about it, and that it would not work at all. This form, a copy of which I submit to the Committee, is filled out and signed by the passenger when he books his passage and is also certified to by the booking agent.

Q. Since when has this regulation been in operation?

A. It was started on the 1st of this month.

Q. Will you place a copy of the printed form before the Committee as Exhibit

No. 1?

A. Yes.

FORM FILLED OUT BY IMMIGRANT WHEN BOOKING PASSAGE.

.....S.S. LINE.

The Canadian Immigration authorities now insist under penalty that passengers to Canada upon purchasing tickets give full and explicit answers to the questions underneath. Canadian born passengers, passengers who have resided in Canada and who have been absent less than one year, and saloon passengers going to Canada for a visit without intending to reside there, need answer only questions 1, 2, 3, 4, 5 and 6. All other passengers must give full answers to all questions and in the event of this form not being in the hands of the purser before the ship sails will be called upon to fill in the form during the passage. The head of a family may fill in the forms and sign for members of family accompanying on same vessel.

- (1) Name in full.....
- (2) Country of birth.....
- (3) Race of people.....
- (4) Destination (post office and province).....
- (5) Ever been in Canada before?.....When?.....  
Where?.....How long?.....
- (6) Intend to permanently reside in Canada?.....
- (7) Sex.....(8) Age.....(9) Married, single?.....
- (10) Able to read?.....(11) Able to write?.....
- (12) Occupation.....
- (13) Intended occupation.....
- (14) Ever worked as farmer, farm labourer, gardener, stableman, carter, railway sectionman, navvy or miner. If so, how long and when?.....
- (15) Religion.....
- (16) Self or blood relatives ever insane or had tuberculosis or epilepsy? If so, full particulars.....
- .....
- .....
- (17) By whom was passage paid?.....
- (18) Going to join a relative?.....What relative?.....  
Name and address?.....
- (19) Nearest relative in country from which party came. Relation.....  
Name?.....Address.....

I hereby certify that I made true answers to the above questions, which were asked in a language understood by me and which answers have been recorded above. I understand that I may on arrival in Canada be called upon to swear to the truth of above answers and that a false oath is punishable by fine or imprisonment.

Signature of passenger.....

I have sold to above passenger steamship ticket No.....for SS.....  
sailing from.....on the.....day of.....  
19.....and railway order No.....reading over.....  
railway to.....

Signature of booking agent.....

Address.....

## APPENDIX No. 2

Pursers will use this form in preparing manifest and will see that names are arranged alphabetically by nationalities. This form with manifest to be handed to Canadian immigration agent at port of landing to be forwarded to Superintendent of Immigration, Ottawa. In case of vessels arriving at Portland, Maine, hand to American Commissioner of Immigration.'

Q. You say that the filling in of this form has been in operation since the 1st of this month?

A. Since the 1st of this month. It may have been in operation for a few days in March but we tried to get it started at the beginning of the present fiscal year.

Q. Was there anything of that kind in force previously?

A. No.

Q. When the passenger arrives at the landing place his examination from the moral standpoint only lasts about a minute or so?

A. The immigration officers do not ask him whether he has been convicted of theft or anything of that kind.

Q. Do you see any objection to the moral character of the immigrant being ascertained on the other side of the Atlantic?

A. I do not see any.

Q. I will give you an instance: Is there anything to prevent our making it a condition that the immigrant before leaving the other side should furnish to the booking agent, or in some other manner, a certificate from his native place of his moral qualifications? Is there any objection to doing that as far as you can see?

A. I could not see any objection myself. I do not know whether the immigrants would answer truthfully or not.

Q. Could he not for instance furnish a certificate from the mayor of his village?

A. Yes, he might be able to do so.

Q. Or a certificate from his bishop or minister, some kind of certificate such as every man, as a rule, bears with him when he comes to America, if he wants to be received by people here, the equivalent of a letter of introduction?

A. I do not think they have anything of that kind in the case of persons coming to the United States.

Q. No, I am asking you if the thing is feasible?

A. It might be; I would not like to say. It is a question whether they would tell the truth or not.

Q. What objection do you see to it if he should hand to the examining authority on the other side that document which would show that the immigrant is not a criminal?

A. I would have no objection.

Q. You would have no objection?

## PROPOSED MEDICAL INSPECTION AND REPORT BY SHIP SURGEONS.

A. No. It has often been said that there should be a detailed medical examination on the other side. That I think is impossible on account of the way in which the ships are loaded with immigrant passengers. The ship goes alongside the Princess Landing Stage, trains come in and the immigrant passengers are embarked within a comparatively few minutes; there is no possibility of a detailed medical examination. But we propose as soon as possible to have the ship's doctor give a medical certificate, which will appear on the first page of the vessel's manifest, to this effect:

'I hereby certify that I have daily during the present passage made a general inspection of the passengers on this vessel, and that I have at least once during the passage made a detailed individual examination of each immigrant on board and that I have seen no passenger thereon who I have reason to believe is, or is

likely to become, insane, epileptic or consumptive or who is idiotic, feeble-minded or afflicted with a contagious, infectious or loathsome disease; or who is deaf, dumb or blind or otherwise physically defective or whose present appearance would lead me to believe that he or she might be debarred from entering Canada under the Immigration Act of 1909 with the exception of the persons whose names are enumerated on the 'ship surgeon's list for medical examining officer' which I have prepared for such officer, giving my medical opinion on the cases therein dealt with; and that there were no deaths or births during the passage except those mentioned under said list.'

We propose that the ship's doctor shall make a detailed examination of every passenger and file it with our examining officers at the port the names and cases giving his observations on them.

Q. That examination will take place during the voyage?

A. During the voyage. They have got from six to ten days in which to make that examination.

Q. Is it intended to introduce that change?

A. It is intended to introduce that change.

Q. That has been decided upon?

A. We have decided upon it quite recently but we have not put it in force yet.

Q. Is that examination and certificate of the ship's surgeon provided for in the bill which is now before the House?

A. It is not necessary to provide for it in the bill; we can do so under regulation.

*By Mr. Wilson (Lennox and Addington):*

Q. Does not the United States provide for such regulation by statute? I think there are a number of such provisions in their Act?

A. No. I think the present Canadian bill is very much the same as the American Act.

Q. I know there are some of those things provided for in the American Act.

A. Then as I was saying the ship's doctor files with our examining officers a list giving the passenger's name and the reason why the immigrant should be, or may be, detained.

*By Mr. Monk:*

Q. If it has been considered possible to get this information respecting the immigrant during the voyage across the ocean, why do you say that it would be impossible for him to furnish the certificate of a reputable physician on the other side who knows his condition?

A. I did not say it would be impossible.

Q. Then you see no objections to this being done?

A. None at all.

Q. It would be an advantage to know that a man of that kind was not afflicted with some physical defect or with some disease that would be an objection to his landing in Canada?

A. A medical certificate would be of no use in determining whether the man is a criminal or not.

Q. Of course, from physical examination you could not find out whether the immigrant is a criminal or not?

A. The certificate which you propose is simply as to whether he is a respectable citizen or not?

Q. Why could he not furnish a certificate from his physician on the other side?

A. Well, in cases where the immigrant is assisted in any way we have a form for him to fill out. It involves a lengthy medical examination.



## APPENDIX No. 2

Q. In what particular case is that?

A. In cases where the immigrants are assisted in any way.

*By Mr. McIntyre (Strathcona):*

Q. Assisted by a society?

A. By a society. I do not appear to have brought one of these forms with me, but it involves a very lengthy medical examination.

Q. Who makes out this form?

A. A physician.

Q. Selected by the society interested?

A. By the society, I suppose.

Q. He must be a regular practising physician?—A. Yes.

Q. Now, you propose a new set of regulations that are to be put into force by the ship's surgeon?

A. Yes.

Q. Were not these regulations practically adopted before by steamship companies, owing to responsibility of deportation being imposed upon them?

A. The bill of health to be signed now is more severe.

Q. Would not the responsibility of the steamship company for the deportation or return of the passenger to the country from which he came have the effect of making the ship's surgeon really an examining officer to the department? The surgeon knows that the steamship company is going to be held responsible?

A. Surely.

Q. For the return of all the sick people that come to this country? If they develop epilepsy or become insane, troubles that cannot be determined by a simple examination, the responsibility that rests on a steamship company for the return of the immigrant physically or mentally unfitted to land in this country would make the ship's surgeon careful as to the people who were allowed on board?

A. I would think so.

*By Mr. Monk:*

Q. I understand you to say that there would have to be a certificate?

A. From the regular ship's surgeon. We propose that the ship's doctor shall make a daily inspection of the passengers and at least once during the voyage make a detailed inspection of each immigrant and report any that he thinks are defective. If he does not, we propose to punish him. If the ship's surgeons do not report we prosecute them. We have had several prosecutions for not reporting.

Q. I am glad to hear you say that from your experience you find no material objection to the immigrant being obliged to furnish a certificate of moral character and a certificate as to his physical condition and being obliged to bring it with him when he comes to this country?

A. I said I would have no objection to his furnishing a certificate from either the parish priest or his clergyman, or the mayor of his town, as to his character. I did not say anything about the immigrant furnishing a medical certificate, as to his being examined individually in the old country by a medical officer.

Q. What difference is there between the one and the other?

A. The difficult immigrant to deal with is the criminal.

Q. Supposing an immigrant, as we have had a great many instances, comes from an insane asylum on the other side?

A. Yes.

Q. It is very difficult for an examining officer to discover that fact when the man lands here under certain conditions?

A. Certainly.

Q. Do you think it would be wise to have a certificate to the effect that he **has** never been mentally affected?

A I have already filed a copy of the form which the immigrant must fill in **before** the booking agent declaring that neither the immigrant himself or his relatives **have** ever been insane.

Q. That is intended to be effective for the future?

A. Yes.

Mr. McINTYRE (Strathcona).—Would you propose, Mr. Monk, that the immigrant should get a **medical certificate**?

Mr. MONK.—He should be given a certificate and no bonus should be paid on him unless he has it.

Mr. McINTYRE (Strathcona).—Supposing a person wants to evade the law and denies that he has ever been in an asylum, which would be quite possible. How are you going to disclose the fact that he was in an asylum once?

Mr. MONK.—You would have such faith as you could attach to the certificate of a physician in the locality from which the immigrant comes.

Mr. McINTYRE (Strathcona).—He might easily change his location, within a year say.

Mr. MONK.—There might be fraud no doubt.

Mr. SCOTT.—There might be substitution.

Mr. MONK.—There might be undoubtedly. He might do the same thing with the certificate as to his moral character. He might commit fraud in regard to that but one is exposed to such a thing in all cases.

Mr. McINTYRE (Strathcona).—An immigrant is asked before entering the United States if he ever was insane. Do you think it is wise to ask an intending tourist to this country or an intending immigrant the question whether he ever was insane? You think it would be desirable?

Mr. MONK.—I think it would be desirable to control that man.

*By Mr. Monk:*

Q. Take the immigrants who come from the continent, it is the easiest thing for them to furnish proof that they are morally qualified. Take the Frenchman, for instance, he never travels without a ticket in which everything that he has done since he was, so to speak, a man, is entered. He has his livret and that certifies as to everything he has done, or whether he has over done anything wrong?

A. Whether he has completed his military duties and so forth.

Q. Frenchmen never travel without it, and I think the same is the case in most continental countries. In England there is always a civic authority who can furnish a certificate.

A. I might say that the whole intention of the Bill which is now before parliament is to strengthen the department in keeping out undesirable immigrants. That is the whole purpose of the Bill.

*By Mr. Blain:*

Q. As a matter of fact, there has been no medical examination heretofore of immigrants before they took passage, is that correct?

A. They are examined by the port doctor, representing the British board of trade, before they go on board the ship.

## APPENDIX No. 2

Q. Before they go on board the vessel?

A. Yes, they are medically examined by the port doctor.

Mr. MCINTYRE (Strathcona).—Under the British board of trade.

*By Mr. Blain:*

Q. I thought the objection you were pointing out was that it was impossible to make such an examination because the trains come in with the immigrants and they are on board the vessel inside of 15 or 20 minutes?

A. I said it would be quite impossible to make any detailed examination before they go on board ship.

Q. What medical examination is made before the immigrants go on board the vessel?

A. The doctor looks at them going up the gangway, that is all. It is a very superficial examination.

*By Mr. Monk:*

Q. I would ask you if you could lay before the committee a list of the immigration agencies that we have in the New England States with the salaries in each case, and any reports you have for the past from our immigration agencies especially these in the States referred to?

A. Do you want the names?

Q. The names, the location, the salaries and any reports you have from them?

A. Yes, I can do so.

Q. And the cost of the office. Would you add that? I do not think it would take you long to prepare that, and if you will leave it with the secretary I will be able to look it up?

A. Yes.

Q. Is there any examination of the Americans who are going into the Northwest? I hear there are a great many going in this year?

A. There is a medical examination.

Q. Is there any examination as to their financial resources?

A. Yes.

Q. As to the amount of money that they have?

## INSPECTION AT INTERNATIONAL BOUNDARY.

A. Yes. During the last year we refused at the international boundary admission to 4,580 people. I might say that it is just about a year now since our inspection started at the boundary and during that time we have rejected 4,580 people.

Q. For physical disability?

A. For different disabilities.

Q. And are they examined as to the amount of money they bring with them?

A. Yes. Our officers make sure they have got sufficient money. They do not take a record of the actual amounts of money that they have.

Q. I heard the statement made in the House yesterday that 70,000 had come in this year and brought in seventy millions of money?

A. Seventy thousand have not come in but we expect about that number this year.

Q. Do you expect they will bring in with them about seventy millions of money?

A. Yes, I should think so.

Q. There is no record kept of the amounts of money which they bring with them?

A. The Customs Department keep a record as to the value of settler's effects. Where our agents in the United States issue a certificate which entitles the settler to the low rate on the Canadian railways of a cent a mile, we will say from Portal north, they ask the intending settlers the questions of the amount of money they have.

Q. And is that information transmitted to you?

A. We get that information here.

Q. I asked you about our agencies in New England. I now ask you if you can place another statement before the committee as regards church organizations with whom we have contracts or arrangements showing the nature of such contracts or arrangements in each case.

A. Such an arrangement with the Salvation Army do you mean?

Q. And there is the church army, I think?

A. We have no contract with them. The only religious organization we do any business with is the Salvation Army.

*By Mr. McIntyre (Strathcona):*

Q. Is there not an organization known as the King's Daughters or something of that kind?

A. That is not a religious organization. There is also the National Council of Women in Montreal.

*By Mr. Monk:*

Q. I mean only the church organizations?

A. The only one we do any business with is the Salvation Army.

Q. Have you a different arrangement with the Salvation Army.

A. They are booking agents and we pay them the usual booking agent's bonus. We also pay them a certain amount on account of rent for their immigration office in London.

Q. Has that arrangement been reduced to an agreement in writing?

A. It is authorized by order in council.

Q. Would you mind putting a copy of that order in council in the hands of the secretary of the committee and a statement of how much you have paid the Salvation Army in bonuses during the last fiscal year and since the close of that year up to date?

A. That is for the fiscal year 1908-9?

Q. For bonuses and in respect of rent or any other reason?

A. Yes.

#### METHOD OF DEPORTING UNDESIRABLE IMMIGRANTS.

Q. One word, Mr. Scott, in regard to deportations. Could you give the committee some idea how deportations are effected? For instance when a man is arrested in Montreal or Toronto and found to have been a criminal in the old country, how is his deportation effected? Is it the magistrate who notifies you or how is the matter brought to your knowledge?

A. In some cases the magistrate notifies us and in other cases according to the Act it is the duty of the clerk of the municipality. We have a regular printed form giving full particulars as to the man's name, when he landed and all about him. We investigate the case and if we find it is of a deplorable nature we deport the man.

Q. How do you proceed to do that? Is the order signed by the minister or yourself?

A. I sign an order notifying the steamship company.



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Q. Do you take him back to the port of departure at the expense of the government?

A. The Act provides that he shall be deported any time within two years at the expense of the transportation company.

Q. For instance if a criminal is arrested in Toronto and his deportation ordered do you have to convey him to Halifax, St. John or Quebec?

A. One of our own officers conveys him back.

Q. You send an officer with him?

A. We have an officer in Toronto, one in Hamilton, one in London, one in Kingston, several in Montreal, several in Quebec and so on.

Q. And your officer takes charge of these men who are deported?

A. He takes charge of them and delivers them to the steamship company.

Q. Where?

A. In the case of men for deportation coming from west of Montreal our officers deliver them to our agents in Montreal and they take care of them until such time as the steamer will leave. That is in summer. In winter they are taken to St. John or Halifax.

Q. Is the expense incurred before the criminal is actually put on board the steamship and placed in the hands of the steamship company borne by us?

A. I was going to explain that under the Act the cost of the deportation of immigrants is supposed to be borne by the transportation company at any time within two years. The transportation companies made representations to Mr. Oliver claiming that that was a hardship on them; that a man might have been a year and a half in Canada and then got into trouble and it was a hardship on them to ask them to bear the cost of transportation. The arrangement he made was that if deportable immigrants were less than one year in the country the transportation company would bear the cost; if more than one year and less than two, the department would pay the rate from Montreal to Liverpool which is I think \$15. The railway companies give us transportation where it is shown that the deportable immigrants have travelled over their line.

Q. I see that we have paid a considerable amount?

A. I think that for last year it cost us about \$25,000

*By Mr. Blain:*

Q. You say that an examination is made to ascertain the amount of money possessed by each immigrant. A few months ago 300 immigrants landed in Toronto and it was reported they had nothing to live on?

A. I investigated that report and found there was not a word of truth in it.

Q. It was reported that those immigrants had nothing to live upon and that the charitable institutions in Toronto were taking care of them?

A. There was no truth in the report at all.

Q. What were the facts?

A. That they all had money and the great bulk of them were simply passing through Toronto. The train happened to get in at about 12 or 1 o'clock at night and they had to remain in the city until the morning trains went out. The restaurant-keeper at the station opened up his restaurant and they purchased all the food they wanted. The restaurant-keeper says he did a very good business. They were all gone again next morning.

*By Mr. Monk:*

Q. I see that there is a provision in the new law to the effect that an immigrant must have a certain amount of money in his possession?

A. Yes, at least \$25.

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Q. Do you think it would be prudent to allow the examining agent to be the judge as to the amount of money in a man's possession? For example if a man arrives here who is hale and hearty and a desirable immigrant in every respect, who has enough money to reach his destination but does not happen to have exactly \$25, it would seem a pity to exclude him?

A. We would not turn him back. Our agent would use his discretion, especially if the immigrant was going to friends at a point in the country, who would take care of him.

Q. The law seems to allow no discretion?

A. The present law does.

Q. I think it fixes a minimum of \$25?

A. The order in council fixes the amount at \$25, but that is only in case he has no work guaranteed or no friends where he is going, but is an absolute stranger.

Q. In a case of that kind, if he had enough money to enable him to reach his destination and the agent thought he was a fit and proper person—

A. And was was going to a country point and was of the class of men that have no difficulty in getting work—a farm labourer, for instance—the agent would not stop him. The agent must use discretion.

Q. What amount of immigration do you anticipate we will have this year from the outlook so far?

A. Our total immigration up to the last fiscal year was 146,908, a decrease of 44 per cent as compared with the year before. That was up to the end of March. I might say that March of this year shows an increase of 7 per cent over March of last year.

*By Mr. Lake:*

Q. You think the total immigration may reach 200,000 this year?

A. Pretty well up to it.

Q. You have no machinery in your department to send the immigrant to any particular part of the country, as they have, I think, in the United States? Immigrants come here and are free to go where they like, are they not?

A. Immigrants of the agricultural class coming to Ontario are all sent to certain points by the booking agents. They are booked through to their destination by the booking agents. I think we have 150 different points where they are sent to.

Q. The interest of the transportation companies is to take them as far as possible.

A. I suppose the more money they can get the better. The steamship companies have increased the ocean rate again this year.

Q. Are you continuing this year the system of locating agent?

A. Yes, in Ontario and the eastern townships.

Q. Anywhere else?

A. We have a few in some counties in Quebec, I think four or five altogether. The number of French immigrants that come into the province of Quebec is small. The people that these locating agents are dealing with principally are the English speaking people and we are placing most of them in Ontario.

Q. Have the results been satisfactory with these locating agents?

A. I think so, very satisfactory.

Q. You seem to have had a great many who have defrauded the department?

A. I would not call it defrauding.

Q. At least a fair proportion of them have?

A. When we first started the system of distributing these men in that way, some of the locating agents being farmers did not understand the regulations of the department very thoroughly. The department has not lost any money through any of them.

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*By Mr. Monk:*

Q. Do you think, Mr. Scott, that you will be able soon to place the two items of information for which I asked you, before the secretary of the committee?

A. Certainly. I can get it ready today I think.

Mr. MONK.—Because the Immigration Bill may be up very soon for consideration.

*By Mr. Verville:*

Q. Will you tell us the number of immigrants that bonuses were paid on that did not settle on the land?

A. I could not tell you that, there is no possibility of following every individual immigrant.

Q. Could you not even give a percentage?

A. We know the number who took up homesteads.

Q. But of the total number of men that bonuses were paid on you cannot give the percentage that did not settle on the land?

A. There were a greater number that took up homesteads which is pretty good evidence that they were agriculturists that we paid bonuses on.

Q. Is the government aware that at the very least 50 per cent of the immigrants upon whom bonuses were paid did not stay on the land but went to the States?

A. I have never heard that said.

Q. Do you know that the Salvation Army stated that?

A. I do not know.

*By Mr. Monk:*

Q. I forgot to ask you how it is that the United States get a record of those who have immigrated to the United States leave the country. In our country where we pay a bonus in some specified cases we have no means of tracing the immigrant. He can pass from here, and as a matter of fact has often done so, into the United States and so we have paid a bonus on a man who, if he is a desirable man, has gone to increase the population of the adjoining republic?

A. The United States government reports such men to us and we make a deduction for them out of the next bonus due the booking agent.

Q. Is the account carefully kept?

A. Very carefully.

Q. You get it from Montreal?

A. Get it from Montreal. Under the new Act we propose that the transportation company should file with us an outward bound manifest the same as the United States. We propose as soon as we can to get statistics of outbound passengers as well as incoming people.

Q. How often do you get that statement from the Montreal office of the United States Immigration Department?

A. Once a month.

Q. Would you mind submitting to the committee the three last statements that you have received?

A. Certainly not.

## DETENTION OF SICK IMMIGRANTS.

*By Mr. McIntyre (Strathcona):*

Q. I would like to ask a question regarding the detention of sick immigrants at the port of landing. It has been represented to me that when a sick immigrant goes into the detention hospital, or other hospital, the transportation company takes the



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funds of that man as a guarantee against their having to pay for his expenses during the period of detention?

A. Yes.

Q. Do you think that is exactly fair to the immigrant?

A. An immigrant landing at an ocean port and found to be afflicted with some contagious disease which in the opinion of our doctors is curable is placed in the detention hospital. We do not handle any of the effects of that immigrant at all. It is a matter between the transportation company and their passenger and they either arrange with the passenger themselves or telegraph to his friends for funds the cost during detention being at the rate of 75 cents a day, which includes treatment.

Q. Has any statement been made to you as to what these steamship companies charge?

A. They only charge 75 cents a day.

Q. Have you any means of knowing that these immigrants get a square deal, so to speak, in that particular?

A. I think so.

Q. You have no statement to that effect?

A. The transportation company simply pay the 75 cents a day, we charge the immigrant. I don't think they collect anything further from him. I have known of cases where the immigrant was deported, or debarred as it were. If he had a ticket through, we will say, to Winnipeg from Quebec the transportation company would take that ticket up and cash it and charge the man for his return passage.

Q. Here is a point that I cannot understand: what authority would any transportation company have to take the funds of a sick man and dispose of them as they see fit?

A. It is a matter between the transportation company and their passengers.

Q. But the passenger is in a condition where, it seems to me, he is helpless?

A. What you mean is that they should not take his money at all.

Q. I doubt very much if any passenger could assert his rights under such conditions?

A. Well, he would be returned.

Q. I think myself there should be some precaution for the protection of the immigrant in that instance, there should be some arbiter of some kind to see that the immigrant is not overcharged?

A. I don't think that our officers would sanction any overcharge if they knew it.

*By Mr. Verville:*

Q. How much time is required to get a report as to an immigrant upon whom a bonus is paid?

A. No time at all.

Q. That is done as quickly as he arrives?

A. Yes.

Mr. VERVILLE.—You only have his word that he goes on the land.

*By Mr. Lake:*

Q. How do you calculate the number of immigrants that come from the United States?

A. We have inspectors at the international boundary.

Q. Any man who calls himself an immigrant is counted as being one, is that the case?



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A. We ask them certain questions as to whether they were in Canada before and intend to remain in this country. Of course, if a man wants to leave you cannot prevent that.

Q. I understood you to say that your agents give a certificate which entitles a man to a special reduction of railway fare?

A. Yes.

Q. Have you any reason to believe that reduction is taken advantage of by men who have returned to the United States?

A. They issue return tickets as well, and an honest man may be living in the States to-day and come up and make a location and then move in within a year.

Q. I am speaking of the man who has settled in Canada and returned to his former home in the United States. Do you find there are instances in which that man comes back again, once, twice or three times, and each time is counted as an immigrant?

A. No.

Q. You have never heard of any such case as that?

A. They are all asked the question have they ever been in Canada before.

Q. And they always say no.

A. Well, I do not know; I think the bulk of the people are truthful.

Q. Can you tell me where the bulk of the agricultural immigrants are going in the Northwest?

A. I think the number is evenly divided between Saskatchewan and Alberta. I think, of course, a certain number will settle in Manitoba, but the great movement is to Alberta and Saskatchewan.

Q. What parts of Alberta and Saskatchewan?

A. Scattered pretty much over the whole province in each case, southern Alberta has certainly got a very large number of people.

Q. But Saskatchewan in your opinion is getting this year just as many?

A. Just about the same number.

Q. Scattered generally over the whole province?

A. Scattered generally over the province.

Q. Do your agents advise the immigrant as to what part he should go to?

A. Which agents do you mean?

Q. The location agent or some person of that sort?

A. The land guides?

Q. The locating agents, did you not speak of locating agents?

A. We have land guides scattered all through.

Q. I am speaking more of the first agent with whom the immigrants come in contact after getting into the country?

A. I think they generally advise them as to the different districts and let them hunt for themselves.

Q. They simply advise the immigrants as to the different districts? What would be the guiding principle with the agent in regard to that matter?

A. All our agents know the country. I suppose the man living in Saskatchewan would naturally advise settling in that province as the best part of the world. A man living in Alberta would no doubt do the same as far as that province is concerned.

Q. In regard to Saskatchewan you have no reason to believe that your agents are in the habit of directing immigrants to certain particular districts in which they are interested?

A. No, I have never heard of that.

Q. You never heard of that?

A. No.

*By Mr. Sharpe (Lisgar):*

Q. How many agents have you in the United States?

A. Twenty-four or twenty-five State agents.

Q. Have they any assistants?

A. They have clerks.

*By Mr. Verville:*

Q. They are supposed to make a report weekly.

A. Yes.

Q. Do they do it?

A. Yes.

*By Mr. Lake:*

Q. In regard to immigration from the United States, do you find that the immigrants are going mainly into parts where Americans are already settled?

A. No. They are going wherever there are free lands.

Q. How do you account for the falling off in the immigration last year?

A. Well, the United States immigration did not fall off at all. The large falling off of 44 per cent was mainly from Great Britain.

Q. Is there any reason for that?

A. We cut off entirely all assisted emigration and we have adopted regulations which make it difficult for them to emigrate.

Q. You do not think any of the falling off was due to crop failure?

A. The financial conditions in the country may have had something to do with it.

Q. The fact that there was a poor crop has not had anything to do with it?

A. I do not think it affected emigration. It did not affect it in the United States.

Q. You think your regulations affected it?

A. Yes, I think they had some effect.

*By Mr. Molloy:*

Q. Have you a system of boundary inspection similar to that adopted by the United States boundary inspectors?

A. Very much the same. We have boundary inspection at 107 points. We have 175 officers along the international boundary. During the last year we debarred at the international boundary 4,580 people from entering and we debarred at ocean ports 509.

Q. What are the duties of Mr. Adamson of the Immigration Department, Winnipeg? I understand from a conversation with him that it was part of his duty to advise incoming settlers as to the best localities to settle in?

A. I could not say. I know he is in Winnipeg.

*By Mr. Sharpe (Lisgar):*

Q. Have you had any complaints of your agents in the United States working in with land companies operating on this side?

A. Of our agents working in with them?

Q. Yes?

A. Yes, I have heard so.

Q. Have you received any complaints?

A. I think possibly no written complaints. I have heard people say they were working in with them.

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Q. Have you inquired into the truth of any complaints of that nature?

A. No, I have never inquired into them.

Q. Is it not a fact that every one of them works in with land operators on this side?

A. I could not say.

Q. You do not know.

A. I do not.

Q. Do you not consider it is a question which ought to be looked into?

A. I know that when a man writes to my office and wants to know where he can purchase lands in the west, I refer him to the Canadian Pacific Railway, the Canadian Northern Railway and the Hudson's Bay Company, the three large companies that are interested.

Q. Do you not think your agents ought to do the same thing?

A. I suppose they do as far as I know.

*By Mr. Sharpe (Lisgar):*

Q. By what authority do these immigration agents go around in the manner in which they do? For instance on the Pembina Branch of the Canadian Pacific Railway in Manitoba there is a man travelling up and down all the time wanting to know where the people are going and all about them?

A. That is an arrangement made between the United States and the Canadian Pacific Railway.

Q. The government had nothing to do with it?

A. Absolutely nothing. The position taken by the United States government is that as the Pembina line is close to the international boundary, undesirable people wanting to go into the United States could leave Canada in that way if there was no officer, and just walk across the line. It is a matter for their own protection.

Q. Do you think that the fact of that man being on that line is any guard against that?

A. Well, he sees who is going along the line.

*By Mr. Lake:*

Q. Have you found any of our immigrants going out of the country?

A. They go out every day.

Q. To any very great extent?

A. Not to any very great extent.

Q. Have you any idea as to the number?

A. No, I have not.

Q. You do not check the numbers?

A. We do not get the passengers outward bound.

*By Mr. Wilson (Lennox and Addington):*

Q. Is it not your attention at an early day to gather that information?

A. Our intention is as soon as possible to collect the statistics of outbound people.

Q. I know that the United States keeps those records and although they had nearly a million immigrants last year the net increase of alien population was a little over 209,867.

## GOVERNMENT EMPLOYMENT AGENTS.

Q. I want to ask you about these letters you sent out to Mr. Miller and the other people. When you got the answers who opened the letters?

A. They were opened in my office.

Q. By yourself?

A. Not necessarily.

Q. But you understood their contents?

A. Which letters?

Q. I mean the one, for instance, about Spinks, which I read at the last meeting?

A. I don't see all the correspondence.

Q. You do not see any?

A. I did not say that. I said I do not see all the correspondence.

Q. But when a letter came in with reference to Mr. Miller reporting that he had located a man, Mr. Spinks, and you wrote and found from the man he was located with, that Spinks was not a farmer, the man he was located with was not a farmer, and that Mr. Miller did not locate him although he reported that he did, what have you to say to that?

A. He was to be paid as a farm labourer.

Q. Was not your attention called to these facts?

A. I could not say.

Q. Well, cannot you get us that information?

A. I do not know whether I could get it. I have correspondence amounting to between 650 and 700 letters a day. It is impossible for me to see them all.

Q. It is a very important matter, that agents should be reporting falsely to the department and you, who are the head of the department, should know nothing about it?

A. I did not say that.

Q. You did not give us any information about it?

A. I know all about it.

Q. Then what do you say?

A. I know all about it.

Q. Then tell us about that. What is done with these letters when they come in?

A. They are put on the file.

Q. Then, what action is taken?

A. They are acted upon.

Q. Mr. Miller reported on this man Spinks, I could not give you the exact date, but some time in 1907. You wrote Mr. Dennison in February, 1908, and you got his answer on the 8th February, at least the letter was dated then. Yet you kept Mr. Miller in the employ of the government for about a year after that?

A. Yes.

Q. Did you take any notice of the answer that was sent to you?

A. I could not answer that.

Q. How are we to know what action was taken?

A. All the correspondence is on the file and copies have been brought down.

Q. We are practical men and we would like you to give us the information. I asked you the last time you were here to give us all the information about Mr. Miller's dealings with this man and you do not seem to have it?

A. I gave you all the information at the last meeting.

Q. You gave us some information but you did not give us anything as to who opened these letters or if they were brought to your attention or whether the Minister was notified of their contents?

A. And I say that I get 6 or 7 hundred letters a day.

Q. I know but these are important letters. When an agent of yours goes wrong some important officer in the Department should be notified of it, the attention of the Minister or Superintendent of Immigration should be called to it? Is not that right?

A. Certainly.



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Q. Evidently for a year after that report was made Mr. Miller was still conducting affairs as agent?

A. Yes.

Q. And no notice was taken of his conduct? Is that a common thing?

A. I apparently made an error. That apparently was not drawn to my attention and I might have made an error.

Q. That is all right if it is an error. I don't see why that should not be reported to the Minister and action taken?

A. Well Mr. Miller has been dismissed.

Q. But that is not sufficient? Did you ever know of a thief caught in the act that would not give up the plunder?

A. If you write me a letter, Mr. Wilson, making complaint I will lay it before the Minister.

Q. It is a little amusing to me to have the Chief Officer of a Department when a matter such as this set forth in documents in his own office is brought to his attention refusing to take action until he is notified by a private citizen. Is that not a little too thin, Mr. Scott? I think it is. Why did you not do to Mr. Miller what you did with Mr. Waugh? You admitted in your testimony when you last appeared before us that you reported Mr. Waugh to the Minister and I think to the Justice Department. Now this is a similar case. It is true that Mr. Waugh took more money and had to refund it but his case is identical almost with that of Mr. Miller. Now what excuse do you give for the difference of action in these two cases?

A. I am not making any excuse at all.

Q. You ought to make some explanation?

A. I am not going to make any excuse.

Q. I am not asking you for an excuse, but an explanation?

A. The reason I do not make any excuse is that I do not think that Mr. Miller did anything intentionally wrong.

Q. You do not?

A. No, I do not think that he understood the regulations thoroughly.

Q. You do not think that he did anything intentionally wrong?

A. Also that the department did not lose anything.

Q. Although Mr. Miller reported to you that he had located the man and yet he did not have anything to do with locating him; although the men that Mr. Miller alleged he located Spinks with, denied Miller's story; although he says that he agreed with that man that Spinks should get \$25 a month, and all that is false, you do not think there is anything wrong about it?

A. I did not say that.

Q. Yes, you said it?

A. Intentionally wrong is what I said.

Q. Well you think he did not do anything intentionally wrong?

A. I think he did not understand the regulations.

Q. It is so plain that I think a fool could not err therein. It seems to me that it is just as plain as daylight. We have the documentary evidence, and the facts are given in the testimony taken at our last meeting, and yet you say that Mr. Miller did not intentionally do anything wrong. What do you call it if a man deliberately reports that he has located a certain man and has nothing of the kind? There is the evidence of two persons that Mr. Miller had nothing whatever to do with the location of this man. Then he says he located a man with Mr. Deschene, who is a section boss on the Grand Trunk Railway. This man never worked at farming, he worked on the railroad with Mr. Deschene. Still Mr. Miller reported that he had located this man with a farmer and was paid \$4 for doing it. He got \$18 for locating Mr. Spinks and his wife and seven children, and still you say he did not do anything wrong intentionally. There are several other cases. What about Mr.

Jones? It was reported that certain parties were located with him but Mr. Jones writes to you direct saying that he did not ever have these people with him. Still you say that you do not think Mr. Miller intentionally did anything wrong?

A. I do not think he did.

Mr. WILSON (Lennox and Addington).—It is astonishing the faith that some people have, I have not found such faith anywhere else.

*By Mr. Wilson (Laval):*

Q. Does the Immigration Act define the meaning of the word 'farmer' or what constitutes a farmer?

A. I think not.

Mr. WILSON (Laval).—I would ask my honourable friend from Lennox this question: supposing a man that owned an acre of land in a village and carried on gardening for himself were to ask for an immigrant to be sent to him and the immigrant were to be located on that little piece of land, would that be farming?

Mr. WILSON (Lennox and Addington).—Can you cite a case.

Mr. WILSON (Laval).—I can cite my own case. You will see that these definitions are quite nice sometimes. I have got 3 acres of land. Supposing that I were to apply to the department for a farmhand and the agent located an immigrant on my place. Would that be wrong or would it be right? I might say that I am a lawyer by profession.

Mr. WILSON (Lennox and Addington).—All I have to say is that the conditions cited do not exist in any of the cases that I have reference to. I am giving definite cases and the witness still persists in saying that the offender did not know that he was intentionally doing wrong.

Mr. WILSON (Laval).—Supposing a farmer having three or four hundred acres of land asks the immigration officers for a farm hand and then uses that farm hand for a coachman. I would like to know from my honourable friend whether this would be infringing the law or not, or whether the locator would commit a crime by reporting to Mr. Scott; in other words whether that would be a good location or not. This is the reason I brought up the question of definition, as to whether there should not be in the Bill some definition of the word 'farmer,' the word 'location,' and of the duties of an agent.

Mr. WILSON (Lennox and Addington).—There is a clause in the instructions which each locating agent gets, prohibiting him even to help to locate any person other than farm labourers or domestic servants. Is that not right, Mr. Scott?

The WITNESS.—Yes.

Mr. WILSON (Laval).—What is a domestic servant or what is a farm hand, what is a farm and what is a farmer? These things should be defined in order to avoid any errors in future that would reflect on the honour of the citizens of this country. We are forcing an immigration agent to be a little more acute even than a judge of the Superior Court whose judgment might be reversed in the Court of Appeal and more particularly when we are dealing with a new Act. You musn't play with crime, it is too serious.

*By Mr. Lake:*

Q. I would like to ask Mr. Scott a question in connection with what we were discussing just now. I understand from you, Mr. Scott, that you know of no cases in

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which your agents are working in with land companies or are directing immigrants to certain particular districts where they are interested in lands themselves?

A. No.

Q. I had a letter the other day from a man who claimed that one of your agents at Winnipeg, some man employed in the Immigration Office, had sent him to a certain district with a letter to the agent's son and that he had bought land from this man and then found that it had not been patented?

A. If you will send me the letter I will have the complaint investigated.

Q. I will send it to you. Have you had no other complaints at all of that nature?

A. I cannot recall any. I have heard real estate men talking when I have been west and saying that our agents were referring parties to someone else.

Q. I suppose you have issued instructions to your agents that they are to do nothing of the kind?

A. No, I cannot say that I have. These agents were all appointed before I came to the Department. I do not remember exactly as to that.

*By An Honourable Member:*

Q. If you did issue instructions you would prohibit the agents from doing anything of that kind?

A. Certainly.

*By Mr. Lake:*

Q. Have you heard this matter talked of?

A. In Winnipeg I have heard it talked of by real estate men who said they were referring new arrivals to those people.

Q. You have never thought it worth while to give instructions to your agents prohibiting them from doing any thing of the kind notwithstanding the existence of these suspicions?

A. I cannot say that I have. I did not think it was really necessary.

*By Mr. Rutan:*

Q. Some of these immigrants should undergo an examination before they leave the old country as to their character and qualifications. I know that some of them who have come into our part of the country are really not worth anything. It seems to me that it is a waste of time and money to bring that class of people into Canada. They are really not worth anything; they are lazy, will not work, and are anything but desirable citizens?

A. If the clerk of the municipality to which you refer will make a complaint we will attend to it.

Mr. McCall.—If a large number of immigrants are brought into the country we must expect that some proportion of them will not turn out well. We should exercise proper care, of course, and get the best. I take the ground that these immigrants from Great Britain, our motherland, are worth bringing here even at the risk of occasionally getting an undesirable one. I take the ground that a man coming here with a family of 5 children has brought to this country an asset of two or three thousand dollars. I think the gentlemen will admit with me that it is cheaper to import them than to raise them here. I have in mind an English family that came into my town, the town of Simcoe, and lived quite near me. They were in need and the members of my family had to look after them. There were 5 sons and 4 daughters. The mother was bright and cheerful, a woman full of courage. The father was no good, absolutely no good. I said to my people, 'You help these people through until they get on their feet.' In time the children got work; some went to

service and some went on the farm. I figured it out that family was worth \$5,000 to the country. In the same block in which these people lived there were 11 houses in which a child had never been born. So you see we can afford to give the greatest encouragement and assistance to these people who come here with the hope that their condition will be better and they will get new opportunities. Mistakes may be made with these immigrants, but mistakes are made in connection with people raised in the country. We get undesirables in our own country. The only thing is to exercise all possible care. We should make the best possible selection and then improve them when they come. Let us have them, however, because it is worth all it costs to raise the children to an age when they are self-sustaining.

*By Mr. Blain:*

Q. Do you know anything about the regulations in force between the Ontario Government and the Salvation Army, as to how they compare with the regulations which you have adopted in connection with that organization?

A. I could not say.

Q. What is your agreement or understanding with the Salvation Army?

A. I have promised Mr. Monk to bring down the information.

Witness retired.

Committee adjourned.

Having read over the foregoing transcripts of my evidence I certify the same to be correct.

W. D. SCOTT,  
*Superintendent of Immigration.*



APPENDIX  
TO THE  
PRECEDING REPORT



## INTERIM REPORTS.

### FIRST REPORT.

The Select Standing Committee on Agriculture and Colonization present their First Report, as follows:—

The Committee recommend that 20,000 copies of the evidence of each member of the official staff at the Central Experimental Farm who testifies before this Committee in the current Session of Parliament, be printed forthwith, in pamphlet form, in the usual numerical proportions of English and French, as advance sheets of the Committee's final report, and distributed as follows:—

17,600 of each to Members of Parliament, 800 copies of his own evidence be allotted to each member of the said official staff, 1,500 copies to the Department of Agriculture, and 100 copies of each to the use of the Committee.

House of Commons,  
March 4, 1909.

### SECOND REPORT.

The Select Standing Committee on Agriculture and Colonization present their Second Report, as follows:—

The Committee recommend that 20,000 copies of the evidence of Dr. J. G. Rutherford, Veterinary Director General and Live Stock Commissioner, taken by the Committee in the current Session of Parliament, be printed in pamphlet form forthwith, in the usual numerical proportions of English and French, as advance sheets of the Committee's Final Report, for distribution, as follows:—

16,900 copies to Members of Parliament,  
3,000 copies to the Department of Agriculture, and  
100 copies for the use of the Committee.

House of Commons,  
March 18, 1909.

### THIRD REPORT.

The Select Standing Committee on Agriculture and Colonization present their Third Report, as follows:—

The Committee recommend that 20,000 copies of the evidence of Mr. J. A. Ruddick, Dairy and Cold Storage Commissioner, taken by the Committee in the current Session of Parliament, be printed in pamphlet form forthwith, in the usual numerical proportions of English and French, as advance sheets of the Committee's Final Report, for distribution as follows:—

16,900 copies to Members of Parliament.  
3,000 copies to the Department of Agriculture.  
100 copies to the use of the Committee.

House of Commons,  
March 25, 1909.

## FOURTH REPORT.

The Select Standing Committee on Agriculture and Colonization present their Fourth Report, as follows:—

The Committee recommend that 40,000 copies of the evidence of Mr. A. McNeill, Chief of the Fruit Division, Department of Agriculture, taken by the Committee in the current Session of Parliament, be printed in pamphlet form forthwith, as advance sheets of the Committee's Final Report, in the usual numerical proportions of English and French, for distribution as follows:—

36,800 to Members of Parliament.

3,000 to Department of Agriculture.

200 to the Committee.

House of Commons,

April 15, 1909.



# EVIDENCE

TAKEN BEFORE THE

MARINE AND FISHERIES COMMITTEE

RESPECTING

## THE LOBSTER INDUSTRY

DURING THE

SESSION OF 1909

*PRINTED BY ORDER OF PARLIAMENT*



OTTAWA

PRINTED BY C. H. PARMELEE, PRINTER TO THE KING'S MOST  
EXCELLENT MAJESTY

1909

[App. No. 3—1909]



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## ORDER OF REFERENCE.

HOUSE OF COMMONS,

FRIDAY, February 26, 1909.

*Ordered*,—That the following Members do compose the Select Standing Committee on Marine and Fisheries:—

## Messieurs

Bickerdike,	Gervais,	Sinclair,
Bradbury,	Jameson,	Smith (Nanaimo),
Brodeur,	Kyte,	Sutherland,
Chisholm (Inverness),	Maclean (Lunenburg)	Taylor (New Westminster),
Clarke (Essex),	McKenzie,	Todd,
Crosby,	Middlebro,	Turgeon,
Currie (Simcoe),	Monk,	Warburton.—25.
Daniel,	Nantel,	
Fraser,	Pardee,	

And that the quorum of the said Committee do consist of ten Members.

*Ordered*,—That the said Committee be empowered to examine and inquire into all such matters and things as may be referred to it by the House; and report from time to time its observations and opinions thereon; with power to send for persons, papers and records.

Attest.

THOS. B. FLINT,  
*Clerk of the House.*

WEDNESDAY, March 3, 1909.

*Ordered*,—That that part of the Report of the Department of Marine and Fisheries, for the year ending March 31, 1908, relating to lobsters and oysters be referred to the said Committee.

Attest.

THOS. B. FLINT,  
*Clerk of the House.*

THURSDAY, March 4, 1909.

*Ordered*,—That the said Committee have leave to sit while the House is in session.

Attest.

THOS. B. FLINT,  
*Clerk of the House.*

THURSDAY, March 11, 1909.

*Ordered*,—That the evidence being taken in connection with the lobster industry be printed from day to day, and that Rule 72 be suspended in relation thereto.

Attest.

THOS. B. FLINT,  
*Clerk of the House.*

9 EDWARD VII., A. 1909

MONDAY, March 15, 1909.

*Ordered*,—That the Report of the Dominion Fisheries Commission, Georgian Bay and adjacent waters, 1905-8, Sessional Paper, 1908, be referred to the said Committee.  
Attest.

THOS. B. FLINT,  
*Clerk of the House.*

TUESDAY, March 30, 1909.

*Ordered*,—That the Report of the Georgian Bay Fisheries Commission be referred to the said Committee for the purpose of examining the Commissioners.  
Attest.

THOS. B. FLINT,  
*Clerk of the House*

## APPENDIX No. 3

## EXTRACT FROM MINUTES OF PROCEEDINGS.

"The meeting being called to order by the Clerk, on motion of the Hon. Mr. Brodeur, Minister of Marine and Fisheries, seconded by Mr. Daniel, Mr. J. H. Sinclair (Guysborough) was unanimously chosen chairman."

## FINAL REPORTS OF COMMITTEE.

Mr. Sinclair, from the Select Standing Committee on Marine and Fisheries, presented the Fifth Report of the said Committee, which is as follows:—

Having summoned and examined, besides the officials of the Department, a number of witnesses from the Maritime Provinces in connection with the lobster industry, your Committee ask leave to pursue the inquiry further, and would make the following recommendations:—

1st. That the evidence taken by the Committee be printed as an Appendix to the Journals, and that in addition 30,000 copies be printed for distribution.

2nd. That such distribution be made from the House of Commons under the instructions of the Clerk of the Committee and in accordance with lists of names to be provided by Members of Parliament.

3rd. That the Department forthwith take steps to ascertain what proportion of the lobsters taken is undersized.

4th. That the Governor in Council appoint a Commissioner to visit, during the recess, the chief points in the Maritime Provinces where the lobster industry is carried on and take further evidence under the direction of the Minister for the information of the Committee; and for that purpose we would respectfully recommend that Thomas S. Howe, the Clerk of the Committee, be the said Commissioner.

Mr. Sinclair, from the Select Standing Committee on Marine and Fisheries, presented the Sixth Report of the said Committee, which is as follows:—

Your Committee recommend that the Governor in Council appoint a Commissioner to visit, during the recess, the chief points in the Maritime Provinces where the Lobster industry is carried on and take further evidence under the direction of the Minister for the information of the Committee, and that an officer of the Department be the said Commissioner.





## MINUTES OF EVIDENCE



## MINUTES OF EVIDENCE

HOUSE OF COMMONS,

COMMITTEE ROOM No. 32,

MONDAY, March 8, 1909.

The Select Standing Committee on Marine and Fisheries met at 11 o'clock a.m., the Chairman, Mr. Sinclair, presiding.

The CHAIRMAN.—Prof. Prince, Commissioner of Fisheries, is present this morning. I suppose we had better hear him first.

Mr. MACLEAN (Lunenburg).—I do not think it is wise to allow Prof. Prince to make a statement. I think it would be better for members of the committee to ask him questions.

The CHAIRMAN.—Prof. Prince wishes to make a few remarks which will only occupy about 10 minutes on the subject of lobsters. After that he is willing to answer any questions he may be asked. What do you think of that?

Mr. MACLEAN (Lunenburg).—It is all right if he will keep the time down to ten minutes. Let me say though that the other day I asked some officer of the department for an extract of the laws and regulations respecting the lobster fisheries. Mr. Found has kindly supplied it and I would like to have the information tendered in evidence and printed in the proceedings.

(For extract of Laws and Regulations, see page 26.)

Hon. Mr. BRODEUR.—There is also a report of the Canadian Lobster Commission, 1898, which, of course, will give a great deal of information. We might supply the members of the committee with a copy of this report.

Mr. MACLEAN (Lunenburg).—I would like to suggest that we should be supplied with a copy of the evidence given each day as it is printed so that every member may have a copy of the evidence on file.

Mr. DANIEL.—You mean to have printed reports of the evidence the same as in the Public Accounts Committee.

Mr. MACLEAN (Lunenburg).—What I mean is to have the evidence printed as it is given. Then instead of printing the whole of the documents from the department in the proceedings in full it would do if each member of the committee had copies on his file.

Hon. Mr. BRODEUR.—I do not know whether we have enough copies of the Lobster Commissioner's report to supply each member of the committee with one.

Mr. MACLEAN (Lunenburg).—I have been thinking since our last meeting that perhaps some of the members, those from Nova Scotia especially, presumed too much in suggesting that we take up the matter of the lobster fishery and continue our investigation along that line for some days. I was thinking afterwards that perhaps we did not make clear to other members of the committee from the other provinces what the proposition was. They may think their provincial interests are just as important as the lobster fishery. It would be well, however, if we had the understanding that the investigation into the lobster fishery be continued until completed. Perhaps the members from other provinces will be satisfied with that.

Mr. TODD.—Speaking for my county, Charlotte county, the proposition is very acceptable to me because the lobster fishery is a large industry with us.

Mr. CROSBY.—I think we should go on with something.

Mr. DANIEL.—I do not think there is very much difference of opinion as to where we should start. The point is to get started.

Hon. Mr. BRODEUR.—Yes, we have got to get started.

The CHAIRMAN.—I think it is open to any member to ask the House to refer to the committee any question that he wishes to be dealt with before us.

Mr. MACLEAN (Lunenburg).—Yes, but I hope the matter will not be dealt with quite in that way. I hope we will not be taking up lobsters one day, smelts the next day, and so on.

Hon. Mr. BRODEUR.—Let us inquire into the question of lobsters.

The CHAIRMAN.—We are going to take up the lobster question first because it is said to be the most important, the most pressing question, in the maritime provinces at present.

Mr. CROSBY.—As I understand we are going to hear Prof. Prince.

The CHAIRMAN.—Prof. Prince, will you take the stand, please.

Copy of the Canadian Fisheries Act and regulations relating to lobsters filed.

Prof. E. E. PRINCE.—I am perfectly ready and willing to answer any questions that may be put to me by members of the committee, but I came here prepared to say a few words as to the lobster industry and the life history of the lobster. I am glad to have the opportunity of doing so because it will, I think, enable the members of the committee to ask questions and to make suggestions which will be of practical value. Otherwise many questions and many suggestions made will appear to an expert, perhaps not altogether appropriate and in some cases impracticable. I cannot, however, proceed with the few words I have to say—and I think I shall try and keep within the ten minutes to which Mr. Maclean referred—without expressing the pleasure I feel as principal officer of the Fisheries Department at the formation of this committee. During the seventeen years since I was appointed Commissioner of Fisheries for the Dominion, I have felt keenly that this subject of fisheries as a parliamentary subject has been less prominent than some others, for example agriculture, and I am very glad indeed that it is during the regime of Hon. Mr. Brodeur, who has done so much to foster the fishing industries, that this step has been taken and a Fisheries Committee of the House of Commons constituted. I am satisfied that this will do an immense amount of good. There can be little doubt whatever that the Fisheries Department has in some cases been hampered by the fact that members of parliament have not had opportunities such as this committee will afford of discussing and ventilating fishery questions. I think it is also a very happy circumstance that the lobster fishery has been taken up first of all because it is one of the most pressing fishery questions in the Dominion of Canada. The lobster fishery, as most of you know, ranks at present second so far as regards value. The salmon fishery stands first with a value of over \$5,000,000 according to the latest statistics, the lobster fishery comes next with a value of over \$4,000,000, and the cod next, with a value of a little over three and a half million dollars. The lobster is usually called a shell-fish, but it has really nothing in common with other shell fishes such as the oyster and the clam. It is a crustacean like the crab and the shrimp and has certain peculiar habits and modes of life. In the second place the lobster is local in its habitat, that is it does not move about over great distances. That is an important fact to remember, that each locality has practically its own race or run of lobsters and it only moves about as it is stimulated by the needs of food, of temperature, and of the season such as the approach of the breeding season. In the third place the lobster produces eggs, but does not deposit them in the sand or under rocks as some fishermen have imagined. It carries its eggs about attached to its body and they are carried for a considerable time until the young hatch out. The female lobster, unlike so many marine animals, does not scatter its eggs or deposit them in any particular location but they are



## APPENDIX No. 3

glued or attached by tenacious threads to the body and they are not impregnated or fertilized until the female has pressed them out or extruded them. The male lobster places what is called sperm matter on the underside of the body of the female and this sperm matter remains sometimes for months before the eggs are extruded. If a female is not fertilized it is probable that the eggs are not extruded. Then in the fifth place it is certain that a ten and a half-inch lobster is fully matured and that lobsters under that size produce proportionately fewer eggs though there may be lobsters of even seven and a half to eight inches at times bearing eggs, diminutive specimens though they may be. Years ago in what might be termed the virgin condition of the fisheries, large lobsters prevailed in all districts but the average size has since diminished in almost every locality. In the next place July and August are the main spawning months. Only about 20 per cent of the females extrude their eggs in other months; but whether the lobster spawns every year or every two years is still a matter of controversy. I have taken myself quite a prominent part in this discussion with Prof. Herrick and others on the question of the annual or biennial spawning of lobsters. That, of course, is a scientific question which need not occupy your attention to-day.

*By Mr. Maclean (Lunenburg):*

Q. What are your views?—A. I am inclined to think the lobster spawns annually as most of the marine animals do. Indeed some crustaceans belonging to the same family as the lobster spawn twice every year. Then in the next place as to the number of eggs: the number of eggs increases very much more rapidly as the size of the lobster increases. An 8-inch lobster may have 5,000 eggs, a 10-inch lobster 10,000 eggs, a 12-inch lobster 20,000 eggs. A 16½-inch lobster caught at Wood's Hole, Mass., in 1895, was examined and found to have 85,000 eggs. The eighth point is that when hatching begins it occupies only about a week. The mass of eggs on the female is hatched out in a very short time. That makes the process of lobster hatching in the hatcheries a very short one. The eggs are hatched out very rapidly after the female has carried them for some time. The ninth point is that the lobster on hatching out makes for the open sea. It does not remain on the bottom or in-shore but goes out into the open waters and swims about not as the adult lobster tail foremost, but head foremost. It is a very minute creature only about a third of an inch in length. It swims forward near the surface for six or eight weeks in company with a great many other pelagic or surface swimming animals out in the open sea. At that time they are fed upon very largely by other fishes. The mackerel especially feed upon young lobsters and wherever young lobsters are abundant on the surface of the sea the mackerel school there. Consequently we have to face this fact: They form the food of a very large number of fishes in the sea. That destruction means that there must be a very large quantity of young lobsters to keep up the lobster supply at all. Then the next point is that when the lobster has about doubled its length, that is when it is about three-fifths of an inch in length, it sinks to the bottom of the sea. It then travels shorewards and hides about the rocky ledges, the piles of wharfs and piers and so on. It grows there, close in shore, to a length of 2½ or 3 inches.

*By the Chairman:*

Q. How long does it take the lobster to grow?—A. It doubles its length in about 6 or 8 weeks, and within a year it would be three or four inches long. The lobster is fond of living amongst eel grass at this time and it grows at the rate of 1½ to 2 inches every year so that the lobster is a slower growing animal than one would imagine. You can see, therefore, that when the large lobsters of a certain size are all cleaned out of any locality it will be some time before you can have big lobsters to replace them; the average size will be small for some time.

*By Hon. Mr. Brodeur:*

Q. How long does it take the lobster to reach eight inches?—A. An eight-inch lobster would be in its third year and the ten-inch lobster in its fourth year, so far as observations have gone.

*By the Chairman:*

Q. Is that information gathered from actual observations?—A. Yes, from actual observations. Now, I hope this committee will have the advantage of expert officers not only from our own fisheries, but those of the United States. Dr. A. D. Mead in the neighbouring republic has been hatching lobsters by a new method and is able to rear them to a considerable size. He puts the lobsters in a floating enclosure photographs of which I have here and will pass around for the inspection of members of the committee (photographs passed around). Dr. Mead puts the lobsters in a floating enclosure and has what he calls an oar or paddle arrangement. This oar is sent revolving around in the enclosure and the sea water is kept in continual motion so that the young lobsters are kept continually swimming after they are hatched out and placed in this enclosure. The young lobsters not only swim very rapidly, but they grow much more quickly than they would in still water ponds or mere tidal enclosures. I might go on, gentlemen, to make a few more remarks as to what my observations lead to, but I think perhaps I might now leave the subject in the hands of the committee to ask questions.

Mr. MACLEAN (Lunenburg).—Go on professor.

Prof. PRINCE.—I do not wish to occupy the time of the committee. Well, the practical questions that arise from the remarks that I have made are these: First of all I fear that in-shore breeding ponds such as have been recommended, where the lobsters may hatch out their eggs, are not likely to be successful, because the young lobsters hatched out in such ponds are not under natural conditions, the in-shore conditions are quite different from those in the open sea. Now, Dr. Mead's system to which I have referred, reproduces—

*By the Chairman:*

Q. You do not approve of in-shore breeding?—A. Breeding pounds, I distinguish from these pounds like the Baker pounds in Cape Breton which, as I have explained, are not breeding pounds. Dr. Mead's experiment reproduces conditions in the open sea very largely by producing currents and by keeping the lobsters near the surface under conditions which are very much like those in nature. Then the second point is that the lobsters must be largely caught at the breeding season because it is then when they come in-shore. They come in-shore for spawning in the warm months, and therefore it is impossible to carry out strictly a close season which will cover the whole breeding season of the lobsters, because that is practically the best time for catching them. They are out in deeper water at other times.

It was suggested by the commission of 1898 that reserves should be established at various points along the coast, which would not be fished for one or two seasons and that these reserves could be changed from year to year; that would mean that these temporary reserves, on which the taking of lobsters would not be allowed, would form breeding areas, from which adjacent areas would be stocked.

The third point I think is that it is really very desirable that berried lobsters and small lobsters should be returned to the water and not brought to the shore. Many fishermen do this now; I know of lobster cannery on the Atlantic coast who have carried out this policy of not keeping the small-sized and berried lobsters, and I can quote one example where the result has been that the lobsters have kept up very much more plentifully in the locality where this cannery operated. He had practical control of the ground, and is a very reliable man, and his cannery had no difficulty in getting a full supply of lobsters in the immediate locality, because the

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fishermen there put back the berried and small lobsters, and in the course of a few years the supply of good sized lobsters very much improved. Dr. J. N. Cobb, an officer of the United States Fish Commission, mentioned in his report many cases where the local men united together to bring only good-sized lobsters ashore and to put the small ones back into the sea, and they agreed on a short open season and he said the result has been that these men have made better catches than have been made in other localities. Dr. George W. Field, who is another expert, whose opinion is of great value, one of the Commissioners for the State of Massachusetts, has urged that lobsters over 10½ inches and under 9 inches be put back into the water, and that all others be taken, for the reason that the large female lobster carries very many more eggs than the small lobster. He says that if you save the large lobsters and put them back you will have better security for a large supply of young lobsters. The only difficulty, I think, about that is the very fact that I have yet to see the lobster fishermen who would willingly put back a 12-inch lobster into the water again, and it would be still more difficult to carry out Dr. Field's proposition that the present system of endeavouring to save the berried and small lobsters.

I should like to make another remark which is perhaps of scientific interest, but which I think is also a practical one; that is that the lobsters when placed in enclosures or kept in cars for the purpose of breeding, or any other purpose, the adult lobsters, cannot long be in a healthy condition because the heart of the lobster is situated in the middle of the back, and its main organs of circulation are also there, and the rays of the sun affect at once the heart and the circulation of the lobster and make it sick. So that the idea of forming an enclosure in which the lobsters may be kept in a healthy condition, unless there is a good depth of water, must lead to a large percentage of deaths. That is why the lobsters so frequently die in enclosures, because their circulation is affected. If you take a lobster and cut it open immediately under the shell in the middle of the back you will find the heart pulsating there. Thus the lobster cannot stand the heat of the sun's rays. I have other remarks about the statistics relating to the fisheries, but I think the members of the committee are sufficiently familiar with those, and I need not give them, but I shall be glad to answer any questions.

The CHAIRMAN.—Does any member wish to ask the professor any questions?

*By Mr. Maclean (Lunenburg):*

Q. I want to ask the professor a few general questions which do not relate particularly to the lobster fisheries, but I want them to go on the record because I want to find out something about the organization of the department. This is why it struck me at the time the proceedings opened that it would be better that the statement of Professor Prince should be delayed until I had placed upon the records the general information I desired to bring out upon that point.

Q. How long have you been in the Department of Marine and Fisheries of Canada, Professor Prince?—A. I was appointed in October, 1892, by order in council.

Q. You are experienced in the scientific side of fish culture?—A. Yes.

Q. That has been your work?—A. That was largely my work, and investigation of the fishing grounds.

Q. Where were you employed before you came to Canada?—A. My work was confined to Scotland, England and Ireland.

Q. You were in the government employ there?—A. I was in the government employ in Ireland only; under the Irish government I carried on, as an expert, investigations into the fishing grounds of the west of Ireland; in Scotland I was assisted by the Scottish Fishery Board, but I was not an officer of the board, I was then professor in one of the colleges in Scotland, and I carried on fishery surveys in England under the Northern Fishery Council.



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Q. What is the title of your position in the Marine and Fisheries Department here?—A. My exact title is Commissioner of Fisheries and General Inspector of Fisheries for Canada.

Q. Then you are head of the Fisheries Branch of the Marine and Fisheries Department, are you?—A. I was appointed rather as adviser to the department, and my work for the first few months in Canada consisted in dealing with matters referred to me of a special nature, relating to the habits of fish, or the modes of fishing, all such matters were referred to me for report. But one minister after another gradually put upon me other work, which did not belong to me, until I became one of the principal administrative officers of the department. For some years, for ten years perhaps, I was the chief administrative officer of the department, which threw upon me a lot of work which was not expert work at all, but purely internal and external administrative work.

Q. Are you the administrative officer of the department?—A. Up to the present moment my work has largely been of that nature.

Q. Well, who in that department is at the head of the fisheries?—A. Of course there is Mr. Venning, who is the Assistant Commissioner of Fisheries.

Q. If the commissioner's duties are not administrative, are not fixed, I suppose that the assistant's are not, are they?—A. As a matter of fact the deputy minister is really the administrative head of the department.

Q. He cannot attend to the details?—A. No.

Q. What officer, if any, of the Department of Marine and Fisheries is specially charged with the administration of the fisheries of this country?—A. I was going to express the opinion it would rest between Mr. Venning and myself. Mr. Venning takes, very largely, the administrative work in the department.

Q. You are not sure of that, are you?—A. Well, as a matter of fact, I am going by the terms of my appointment which show that I was not the administrative head, but practically I have been.

Q. I see that you have been appointed on that Waterways Commission, have you?—A. No, it is the International Fisheries Commission to which you refer.

Q. Will that take up much of your time?—A. At certain periods it will, but then, at other times it will not occupy me so closely. The commission, by treaty, has the power of meeting whenever occasion requires, whenever anything arises in connection with the international fisheries which will call for some action, the commissioners will meet.

Q. It will take up some time?—A. It is bound to take up a considerable part of my time.

Q. I saw in the paper some time ago, I do not know whether I am correct or not, but I think I saw that you were appointed by the government to confer with the provinces respecting the question of the jurisdiction of the Dominion and the provinces respectively under the recent fisheries decision, is that correct, or did I understand the report?—A. I am afraid that is a misunderstanding.

Q. What other work do you do in the department, regular work or intermittent work?—A. During the last four or five years I have been very frequently away, having been appointed chairman of special commissions of investigation and these therefore, interrupted the regular work which I did before that.

Q. Does not that interfere greatly with your work?—A. It has interfered very considerably with my work.

Q. Then there is no one in the department who has devoted his time to the question of the fisheries, even to the scientific side, is there?—A. There is, of course, the Biological Board, of which I am chairman, which carries on investigations into the fisheries at three biological stations which have been founded by the government for specially investigating fishery matters. One is at Passamaquoddy bay, in the Bay of Fundy; another is in British Columbia, and another is on the Great Lakes, in



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Georgian bay. Each of these stations has a staff of honorary workers, as well as some assisted workers, who are chiefly specialists from the Canadian universities. I superintend these researches.

Q. You have then a biological board at work on the scientific side?—A. They are doing very good work and have received very high praise from various sources.

Q. Who is left in the department to look after the administration?—A. That is left, as in past times, to the assistant commissioner, who was for many years chief clerk, with some of his assistants to carry on that work.

Q. His time is occupied with a great many other things, is it not?—A. Mr. Venning is here, he can answer for himself as to that.

Q. Do you think that the organization of the department regarding fisheries is such that we get the attention given to the fisheries that we should have?—A. I think, as compared with foreign fishery administrations, that the officers of the department in Ottawa, as a general rule, have done more effective work for the fisheries than any other department in the world. The officers of the department in the United States, say, practically do very little directly for the fisheries except in hatching fish. They administer no laws and have no supervision.

Q. Who is the officer of the department especially charged with the administration of the lobster fisheries, is there anybody?—A. That would fall in common with the rest of the department's work, the lobster fisheries are not separated especially.

Q. Is there not an officer named Finlayson, who is attached as a technical officer to the lobster bureau?

*By Hon. Mr. Brodeur:*

Q. To the Fish Hatchery Branch?—A. He is assistant in the fish hatchery, I think he is called inspector; Mr. Cunningham is the Superintendent of Hatcheries.

*By Mr. Maclean:*

Q. What branch is Mr. Cunningham the head of?—A. He is in charge of the work in all the fish hatcheries of the Dominion; he consults with me, he comes to me and discusses matters at times, but the work which I carried on for so many years is now entirely in his hands.

Q. Supposing representations are received, say from the maritime provinces, asking that the lobster season in each district be lengthened or shortened, who looks after that?—A. That matter would be referred to the Commissioner of Fisheries for his views.

Q. That is yourself?—A. That is myself.

Q. And the matter of the establishment of pounds, would that be referred to you?—A. The matter of pounds is one that I have dealt with at very great length in various reports in past years.

Q. Do you travel much in, say, the maritime provinces?—A. I think I have travelled more than any other officer in the fisheries service.

Q. How often do you come down there?—A. Some years I may be down to Halifax and on the coast three or four times, and then I may be called to the Pacific coast for a year or two.

Q. I am not desiring to ask you embarrassing questions at all, I am simply impressed with the idea that there is not the close attention given to the administration of the fisheries that should be, and I just want to find out the facts. You say you go to Halifax two or three times a year; how long do your visits last, or are these visits occasioned by special business?—A. I am usually called down by some special request to attend to special business, and then I always take advantage of the opportunity—in fact as a rule I am instructed by the minister to do so—to attend to other matters while down there.

*By Hon. Mr. Brodeur:*

Q. Did you not pass a large portion of your time in the maritime provinces last summer?—A. I travelled for months in the maritime provinces last summer.

*By Mr. Maclean:*

Q. What were you doing when there?—A. My chief work was in connection with the shad fisheries.

Q. You were on what is called special business?—A. That is what called me down there primarily.

Q. Does anybody in the department ever go through the maritime provinces interviewing people along the coast, obtaining their views upon questions relating to the fisheries or doing research work?—A. Well, that is exactly the work I have done for so many years.

Q. You have done that work intermittently, but is there any one who does it regularly?—A. Well, I have done it pretty constantly.

Q. You have heard the suggestion about the Fisheries Board?—A. Yes, I had that brought before me by the Board of Trade of Halifax the last time I was there.

Q. Have you any opinion about that?—A. I feel that the only difficulty arises from the fact that one locality has no more right to a Fishery Board than another; and it seems, therefore, that a centralized body such as a committee of this House would be better than a Fishery Board. Local boards are bound to be biased; I mean by that that there would be a larger proportion of one class of men than of another upon it; it may be that the fishermen would have the majority on the board, or the capitalists might have the greater number—something of that kind, you know what I mean.

Q. I want you to give me a list of what are debateable questions in the maritime provinces respecting the lobster fishery, can you enumerate them—that is those subjects which are debatable and on which you find a variety of opinions?—A. I can name them.

Q. I want to get that before us so that we may pursue our inquiries along the line of those questions upon which there is a diversity of opinion?—A. In the first place there is a considerable diversity of opinion as to the best months for a close season.

Q. That is No. 1—do not argue the points, but just simply state what the questions are?—A. In the second place there is a considerable feeling that lobster hatcheries would be a better step to improve the fisheries than the present method trying to preserve the berried lobsters; the third is that a short open season without other restrictions would save the lobster industry.

Q. That is No. 3, what other questions are there?—A. There is also a good deal of discussion as to the fairness of requiring a lobster license and restricting the number of licenses.

Q. That is No. 4, now what about 'pounds,' is that a debatable question?—A. Would that not come under hatcheries?

Q. No, it would not?—A. Well, the lobster pound question is one that has been strongly pressed.

Hon. Mr. BRODEUR.—That is lobster pounds by themselves?

Mr. MACLEAN.—Yes.

Hon. Mr. BRODEUR.—Not in connection with the hatcheries?

A. You mean by a lobster 'pound' a pound in which the lobsters are kept in the open season and afterwards during the close season replaced in the sea?

Mr. MACLEAN.—Yes.

The CHAIRMAN.—There is also the question of the exportation of berried lobsters.

Hon. Mr. BRODEUR.—Yes, and also the question of the size of lobsters?

A. Then there is, seventh, the wisdom of permitting berried lobsters, or female

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lobsters to be exported to the United States in large quantities as they are at present. There is the question as to the amount of gear, that the amount of gear and the number of traps should be limited, and that can only be done by the department issuing a lobster permit or license which is, of course, an extremely unpopular measure with the fishermen.

*By Mr. Maclean:*

Q. The other day I asked you to prepare a statement showing the boundaries of the different districts in the maritime provinces?—A. That is shown on the map which has been produced.

Q. I would rather have it typewritten so that it may go on the record.

Hon. Mr. BRODEUR.—You have it also in the report of the Canadian Lobster Commission; the first map in that report shows you the different sections.

Mr. MACLEAN.—I want it in such shape that it can be put upon the records of this committee and I would like Professor Prince to prepare a statement for the next meeting, giving the name of each district, its boundaries, the date of the opening and the closing of the season, and the size of lobsters permitted to be caught in that particular district. If he will prepare it in tabular form it can go on the records of the committee.

*By Mr. Maclean:*

Q. Did the Lobster Commission of 1893 recommend anything that was carried out?—A. Oh, yes, most of its recommendations were carried out, the close seasons and the size limits now in force were those recommended by that committee.

Hon. Mr. BRODEUR.—With regard to the request of Mr. Maclean for information, I would inform the committee that in the report that has been published in 1904 by the American authorities, the Massachusetts Fish and Game Commissioners, there is a statement, supplied by the officers of the department here showing the limits of each geographical district, the open seasons, and the size limit. There have been some small changes made since this was prepared, but what I want to know from the committee is whether information, revised to date, in the form in which it is given here, would meet the wishes of the committee.

The CHAIRMAN.—The information in that form would, I think, be quite satisfactory.

Hon. Mr. BRODEUR.—Then I will have it prepared.

*By Mr. Maclean:*

Q. Do you devote much time to other fisheries in Canada, outside the lobster fishery, in the course of the year?—A. Yes, I have devoted a good deal of attention to the other fisheries, such as the shad fishery and the salmon and sturgeon fishery, and, of course, to the deep-sea fisheries, such as the cod and herring fishery. The deep-sea fisheries are not so easily handled, that is to say there is less to be done from a legislative or administrative point of view except as regards the methods of curing and so on, and the department has carried out a system of drying by mechanical methods, by the use of the fish drier.

Q. What has the department been doing towards educating our fishermen in the manner of fish curing?—A. We have given them the advantage of instruction by an experienced Scottish herring curer.

Q. Are you prepared to give an opinion on these debatable questions that you have enumerated, or would you prefer to have some time in order to bring a typewritten statement of your views?—A. I really think it would help this committee more if I did bring typewritten statements and distributed them among the members before you took the matter up again. I could give my views now, but I think it



would be of advantage to the committee to have the typewritten statement before them.

Q. Have you opinions about them or are you agnostic about some of them?—A. No, sir, I have formed my opinions.

*By the Chairman:*

Q. Do you approve of a restriction of the number of licenses to pack lobsters?—

A. Yes, I approve of a restriction of the number of packing licenses.

*By Mr. Warburton:*

Q. Would you approve of restricting the number of licenses and at the same time allow unlimited catching?—A. I was going to state, Mr. Warburton, that there should be also some kind of permit issued to lobster fishermen so that the fishing might be kept under control.

*By Hon. Mr. Brodeur:*

Q. You would restrict the number of traps?—A. As in all other fisheries.

*By Mr. Warburton:*

Q. I have information from fishermen of Prince Edward Island that this year some of the packers were doubling the number of traps, and I think we have enough traps already. You say that the number of lobsters has increased and the size has increased in some cases, is that the case on the north shore of Prince Edward Island?—A. You are speaking now of a period of twenty or thirty years?

Q. No, within the last few years. I know that thirty years ago they were larger in size, but as compared with four or five or six years ago, how does the number of lobsters and the size of them compare now with four or five years ago?—A. I think there has not been that marked decline during the past two or three years, but that I attribute to temporary fluctuation—that applies to several localities where there has been an improvement in regard to the number of lobsters.

Q. My information from the north shore is that the quantity of lobsters has greatly increased in the last two or three years, and that there has also been an increase in the size, but on the south shore there has been a falling off?—A. I think that is explained by what is called fluctuations, which occur in all fisheries, and is not evidence of a permanent improvement such as one would like to see.

Q. Now at present, I understand, the fishermen are going farther out to sea and really striking at the mother home of the lobster. What would be the effect of their going outside the old limits in which they used to fish?—A. The effect of that will be that the full grown females will be caught more numerously; but if the lobster fishing could be kept out a little distance from the shore it would enable the schools of small immature lobsters which come in shore to be better protected. That would be a method of preserving the supply.

Q. There was a matter of administration in the department, regarding the officials, to which Mr. Maclean called attention but he did not go into the subject in such detail, or as fully, as I would like. The Department of Marine and Fisheries is an enormous department, is it not?—A. Yes, it has a very complicated and extensive work to do.

Q. If I caught you right, the deputy minister is also an administrative officer of both the Marine and Fisheries branches of the department?—A. He has been for some years.

Q. Is it possible for one man to do all that work?—A. That is a question I would hardly like to answer. I have my own views and I should certainly say the appointment of a Deputy Minister of Fisheries would be an admirable step.

Mr. WARBURTON.—That is what I am trying to get at.



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Hon. Mr. BRODEUR.—I might state that in 1885 a Deputy Minister of Fisheries was appointed, and in 1901 or 1902, I do not remember the year exactly, the office was abolished.

Mr. WARBURTON.—I know that. I was under the impression that the abolition of that office was owing to the feeling which the then Minister of Marine and Fisheries entertained towards the then Deputy Minister of Fisheries. I may be wrong but that is the opinion I always had; the minister wanted to get clear of the official and in order to do that abolished the office. Anyway the point I want to get at is this: taking the Fisheries Branch, is that not of sufficient importance to have one deputy minister to look after it and administer affairs?—A. If the minister will allow me to answer that—

Hon. Mr. BRODEUR.—What is the question?

Mr. WARBURTON.—I am asking Prof. Prince, as a man who is acquainted with fishery matters and is specially charged with their care, is it not almost essential to have one looking after the administrative work of that one branch because the work of the department is enormous.

Hon. Mr. BRODEUR.—I have no objection to the Professor giving his opinion.

Prof. PRINCE.—The fisheries of this country have been growing in complexity and extending in every direction. Fisheries that did not exist 15 or 20 years ago are now large industries. On the Pacific coast and in the Northwest the fisheries are coming to the front and it seems to me it is absolutely essential that there should be some division as you refer to.

Q. Then if I am right, with two such very important subjects as marine and fisheries, the subject of marine is almost certain to overshadow the subject of fisheries?—A. That has really been the state of affairs; the marine has overshadowed the fisheries to some extent in the administrative work; but both branches have grown that really they are almost unwieldy in the hands of one deputy minister.

Q. My opinion is that one man cannot handle both departments, I don't care how good he is. That is my impression although I may be wrong. Therefore, the natural inference from such a condition of affairs is that there ought to be a man whose sole business would be to look after the administrative matters of the Fisheries Branch?—

A. In the United States there is a head official who looks after the fisheries and has no other work to do.

Q. Mr. Maclean asked you a few general questions in regard to other fisheries. I know the present investigation is confined to lobsters but I want to ask you one or two questions in regard to the oyster fishery if you can give us the information?—A. Would it not be as well to bring up the question of the oyster fishery on a special day?

Mr. WARBURTON.—Perhaps it would be just as well and, therefore, we will let that stand.

Mr. MACLEAN (Lunenburg).—Would it not be well to state what you want now and Prof. Prince could come here with a statement prepared on some other day.

Mr. WARBURTON.—I would like then, Prof. Prince, if you would submit to the committee a statement going back to say 1875—I think that would be a good place to start from, seeing that it was the first year in which any real trouble was taken with statistics—giving the shipment from all parts of Canada and showing the total catch of oysters during the years which have since elapsed. I would also like you to take some few of the most important oyster centres. I do not know those of New Brunswick or Nova Scotia and, therefore, I will rely upon other honourable gentlemen for them. But in regard to Prince Edward Island I would ask for information with regard to Richmond or Malpeque Bay; also Bedeque Bay, which is now included in the reports under the name of Summerside.

Mr. DANIEL.—Then there is Buctouche and Shediac in New Brunswick.

Mr. WARBURTON.—There is another place I want to get from the island. I have lots of names here but I want to get the places the very best oysters come from and

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to see what is happening to the industry. I want to get returns from Grand River in Prince County and Malpeque or Richmond Bay. I would combine those two. Then there is Summerside or Bedeque. That is the same thing, but Bedeque is the name it ought to go under. Then there is Travellers' Rest. I do not care about the other places, they are not very much. Then there is Shediac and Buctouche and Richmond and Shippigan, and Caraquet Bay, and River Denis Basin and Tracadie, Nova Scotia.

The CHAIRMAN.—Oysters are found along the Northumberland Strait.

Mr. WARBURTON.—There are a great many places besides those I have mentioned in Prince Edward Island where they get oysters, but I want to get the principal centres. What I want to call your attention to is that people are very apt to confuse Summerside and Bedeque oysters with the oysters on the north shore.

Prof. PRINCE.—Richmond Bay.

Mr. WARBURTON.—Yes, because they are all shipped to Summerside and that place is apt to get the credit for oysters that are not obtained there. I shall be very glad if you can give us that information. I think the department also has a report of the estimated acreage of oyster bottom in each of the principal places. You might produce that also.

*By the Chairman:*

Q. Will you tell us what the purpose is in restricting the number of licenses granted to pack lobsters?—A. The restriction of licenses for canning lobsters is in line with that of the issue of all fishery licenses, and implies that the authority which issues these licenses exercises a certain amount of discretion based on knowledge of the possibilities of the fisheries in the locality concerned. Every license issued by a fisheries department, in this country or any other country, implies that the department is exercising a certain amount of control and discretion and can grant or refuse licenses.

Q. I understand that during the past few years you have not issued any licenses to pack lobsters in the way that you formerly were accustomed to issue them. Why did you stop issuing licenses altogether?—A. I think perhaps that question might be put to the Assistant Commissioner, who is present. My own view is that the number of lobster canneries has quite reached the maximum in almost every locality and that to discourage the building of new canneries, or the operation of new canneries, is a good step in regard to the preservation of lobsters.

*By Mr. Kyte:*

Q. Who fixed that limit, who came to that conclusion?—A. As a rule the conclusion is arrived at in this way: the local officer reports to the inspector, and the inspector reports to us. We get a report from our inspector as to whether it is desirable to issue a license or not, and the inspector is supposed to act in accordance with the nature of the case.

Q. As a matter of fact no new license has been issued in Nova Scotia for several years, is that not correct?—A. I think that is not quite correct.

*By the Chairman:*

Q. Excepting to the Co-operative Fishermen's Union, that is correct?—A. That I think is correct.

*By Mr. Kyte:*

Q. But to individual packers no licenses have been issued?

Mr. MACLEAN (Lunenburg).—Well, the wisdom of that would depend upon the question as to whether or not there had been enough issued already.—A. A license,

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of course, is of no utility at all if there is such a thing as free canning. When you issue a license it means that somebody is going to be restricted.

*By the Chairman:*

Q. It is contended that the question depends more upon the number of fishermen engaged in the fishery and with the number of lobsters they take rather than upon the number of packing places that are constituted. What do you say as to that?—  
A. What I mean is this: that every man who starts a new cannery is another element in the question. It means adding to the gear already in existence. Every new cannery means new gear.

*By Mr. Crosby:*

Q. I judge the point of the Chairman's question to be this: the canners do not catch the lobsters, they simply can them. Supposing you added to the number of canneries you would not have any more men fishing?—A. Any more men?

Q. Yes?—A. Well, the number of lobster fishermen taking part in the catching of lobsters has increased up to within the last year or two.

Q. How many canneries have you got?—A. I do not know the exact number, I think a little over 700.

Mr. VENNING.—Between seven and eight hundred.

Q. I mean in Nova Scotia?—A. I think the number as given in the official report for Nova Scotia is 217 canneries.

Q. What was the number five or six years ago?—A. I am afraid I could not answer that. Probably 20 more canneries.

Q. There are not so many now as there were?—A. There has been a decrease since then.

*By Mr. Jameson:*

Q. In view of the fact that so many lobsters are shipped alive now to the United States do you think it would make any difference in the number of lobsters actually caught if greater facilities for canning were available?—A. Well, the case stands in this way: the canning of lobsters has really been a paying industry. There is such a very large demand for lobsters that every one who has gone into it has been able to make something out of it and the tendency, therefore, is for more people to go into the industry, and instead of the live lobster trade taking away from the canning industry, the latter has grown alongside of the former which, of course, is really going to end the lobster supply. Personally I am of opinion that ultimately the live lobster trade will entirely do away with canning altogether, and in a few years. It is the tendency in all food product industries to ship the product in what might be termed the nearest to the natural condition instead of manufactured condition. Canning is, to my mind, the worst method of putting up food product like the lobster. It is like canning fowls or turkeys, instead of shipping them whole, which is more remunerative.

Q. Would the result be simply because there would be more money in shipping them alive than there would be in preserving them?—A. Yes.

Q. That being the case do you not think that your argument in respect to the increase of these canneries is weak, because if the people have the opportunity of exporting them alive, which is more profitable, would not the same number of persons be engaged in the catching of lobsters as there would if allowed more canneries?—  
A. No, that is not the case because the live lobster trade requires large lobsters and the canneries will pack all the small ones, so that you have them destroyed in increased numbers on that account.

*By Hon. Mr. Brodeur:*

Q. On that point can you state what would be the average price per pound for live lobster and what price per pound of canned lobster and what advantage would



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there be to increase the live lobster business as against the canned lobster industry?—A. Well, speaking from memory, I think that 8 or 10 cents a pound would be the outside price of lobsters for canning whereas a live lobster would bring two or three times that amount sold by weight. As much as 40 cents each have been paid for live lobsters in some years, which is exceptional of course. There is far more money in the live lobster trade because, of course, in the weight of the live lobster the shell and everything else is counted in.

*By Mr. Warburton:*

Q. Supposing you went into the live lobster trade and dropped the other? Supposing you got a market would you not glut that market with live lobsters?—A. There again we are looking to one particular market for our live lobsters and that is the United States. Now there is an immense demand in Europe for live lobsters which has really not been developed and I anticipate that within a very few years it will increase. Norway is shipping practically every lobster it produces to London, and realizes five times the amount per lobster that our men earn. There is no reason in the world, bearing in mind the improved transportation facilities contemplated by the government such as a direct line to France—we already have direct lines to London—why live lobsters should not be shipped from Canada to those markets where better prices are got. You cannot glut the market of France, for example, because there is a demand for all the lobsters that can be shipped to that country.

*By the Chairman:*

Q. The Boston market is very easily glutted?—A. The Boston market is easily glutted because Massachusetts and Maine are its sources of lobster supply and they ship a very large amount of lobsters into their own markets. In Maine and Massachusetts there is no canning now. I think there is not a single lobster cannery in the United States at the present moment, I think I am right in that, and they find it pays better and preserves the lobster better to adopt the live lobster trade rather than the canning business. There is, of course, the method of boiling lobsters first and shipping them in cold storage. That method has been introduced latterly. The lobsters have been boiled and chilled and shipped in that way and it seems to me there is a great field open for shipping lobsters in that form to our own cities and the old country, where the lobster is quite a rarity. The same thing, I anticipate, will take place in the case of lobsters which was witnessed with respect to salmon. A few years ago salmon in England was a luxury which very few could enjoy. Now, immense quantities are being shipped from British Columbia, of chilled or frozen salmon. I think the same thing can be done with lobsters, that you can create a demand for lobsters which does not at present exist to the full extent. I think that if lobsters were sent into those European markets a great many people would buy them who do not do so at present because they are too costly.

*By Mr. Maclean (Lunenburg):*

Q. Is there anybody in the department attending to the commercial aspect of this question, is there any officer in charge?—A. As a matter of fact I made the proposition to the Marine and Fisheries Department some years ago that I should go over and undertake some work of that kind, opening up as it were, a few markets.

Q. But there is nobody to attend to that kind of work in the department?—A. The only department doing that kind of work is the Trade and Commerce Department. They are sending out circulars and opening up new markets by giving information. That department has got from us, the Fisheries Department, quite a lot of information.

Q. Is it of much good?—A. I have not had an opportunity of closely reading their weekly reports.



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*By Mr. Bradbury:*

Q. Does the condition of the lobster industry to-day indicate that there is very much diminution in the fisheries?—A. If the amount of gear which was fished 10 or 15 years ago were fished to-day the catches of lobsters would be very much smaller than they are. The amount of lobsters caught to-day has been simply kept up by taking lobsters that a few years ago would be rejected and by using five times the amount of gear.

Q. What does that mean in your estimation as far as the permanency of the industry is concerned?—A. There are two views as to that. One view is that the lobster industry has reached a serious crisis. My own view is that we have two reasons in Canada for not anticipating the collapse of the lobster industry. In the first place we have grounds that are unparalleled in the world as lobster grounds. Our shores have exactly the temperature and the physical character for lobsters to flourish and it is almost impossible to exterminate lobsters on the Canadian coast do what we will; there are so many refuges for them on our rocky shores and so on. In the next place the department has been replacing to a large extent the lobsters taken from the sea. During his regime Mr. Brodeur has authorized new hatcheries and grounds such as the Baker pound in Cape Breton, which has been replacing in the sea 50,000 berried lobsters for some years.

*By the Chairman:*

Q. How many?—A. 50,000 lobsters per annum.

Q. Is that all?—A. That is from the one pound. If only two out of every thousand young lobsters we place in the sea from the hatcheries reach a marketable size that will keep up the supply.

*By Mr. Bradbury:*

Q. You do not anticipate then any danger of the depletion of the lobster supply?—A. I do not anticipate extermination but I do anticipate a continued decrease.

Q. Where are the lobsters shipped to-day?—A. They are very largely shipped to the United States.

Q. Lobsters are becoming more of a luxury in Canada and the Canadian consumer has to pay more for them than before?—A. They are more expensive but some canners and dealers in Nova Scotia, and indeed other provinces, have been selling direct to French and English buyers and are doing far better than they did when shipping them through United States buyers. There are certain big lobster combinations in the United States that sometimes get control of a large number of canneries, for instance such as the Portland Packing Company, but it would be difficult to dislodge them. The Portland Packing Company has control of a large number of our canneries but that company has acted very wisely in some ways by helping the department in lobster protection. My own feeling is that if our canners could deal directly with the buyers in Europe they would reap far larger results. Of course, I know the difficulties in the way. Some lobster men have asked my advice and I have advised them to take a trip to London to study the conditions of the market for themselves. Some of them have done so and it has proved a beneficial trip for them. But there is one primary necessity: they must ship a good article and I am afraid that some of the lobsters packed in Canada would not stand the test if sold in London.

Q. Is it not a fact that the best lobsters are sent to the United States and only the 'seconds' are sold to our people?—A. Well, there is a rumour to that effect.

Q. That is the fact, that all our fisheries are under the control of Americans. We get the seconds and the Americans get the good fish.

Mr. MACLEAN (Lunenburg).—That is true in almost everything in the world.

Mr. BRADBURY.—That is something we want to guard against if we can.

*By Mr. Kyte:*

Q. What is the condition of the lobster business in the State of Maine?—A. Well, there is no canneries there at all. In 1880 there were over 20 but in 1908 there were none. The live lobster trade is proving an extremely remunerative one. They have a good size limit. It was 10½ inches, but it was reduced to 9 inches lately.

Q. How does the quantity of lobsters caught in the State of Maine compare with 20 years ago?—A. Well, the quantity is not anything like so large but they have considerable catches, about ten million pounds yearly in recent years.

Q. Are the conditions in Nova Scotia as favourable compared with the State of Maine?—A. The Maine coast is not as favourable as ours, and would have been entirely cleaned out if protective steps had not been taken in time.

*By Mr. Jameson:*

Q. Referring to the shipping and canning of lobsters, is there much difference between the size of those permitted to be exported to the United States and those consumed in Canada?—A. You mean as compared with those which go to the Montreal or Ottawa markets?

Q. Quite so?—A. Because there is a limit on some of the shores of Canada of 8 inches. That is lobsters 8 inches in size are permitted to be handled legally.

Q. Yes, in Canada but what about those exported to the United States?—A. With respect to the United States only last week, I think, it was noticed in the Fishing Gazette that quite a large number of lobsters had been seized in Boston and dumped overboard because they were exported from Nova Scotia under size.

*By Mr. Crosby:*

Q. Was that action taken by the United States authorities?—A. By the Massachusetts authorities.

*By Mr. Jameson:*

Q. What size would that be?—A. In the State of Massachusetts the size limit is 9 inches. I may say that the International Commission which is now at work is proposing to establish in such a State as Maine, as well as in our own waters, a 10½-inch limit. If that could be done it would raise the limit to what it was two or three years ago.

*By the Chairman:*

Q. I understood the catch of lobsters in Maine in 1908 was the greatest they have had for many years?—A. You are right. The catch there is still considerable. You observe that the canneries have been done away with there. Furthermore there was a size limit of 10½ inches for some years and a present size limit of 9 inches which would naturally result in some benefit.

*By Mr. Bradbury:*

Q. How many hatcheries have you?—A. There are five lobster hatcheries.

Q. How is it that the control of the Canadian lobster industry is passing to the Americans?—A. We have a large number of Canadians who can their own lobsters and own their gear and traps. There are two or three big firms from the United States who are largely engaged in the Canadian lobster fishing industry.

Q. Does it seem right that the Canadian people who expend large amounts of money in fish culture, that is the producing of young lobsters by artificial means, should be ousted by Americans who are allowed to come in and catch the lobsters and ship them to the United States? Is there no way of stopping this thing?

Mr. MACLEAN.—(Lunenburg).—They do not catch them at all.

Mr. BRADBURY.—They do not catch them?

Mr. MACLEAN (Lunenburg).—No, no.

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Mr. BRADBURY.—That is what I want to find out.

Mr. MACLEAN (Lunenburg).—They simply buy them from the fishermen.

Hon. Mr. BRODEUR.—The work is done by Canadians but the commercial side of the industry is controlled mostly by Americans.

*By Mr. Bradbury:*

Q. Referring to the fishery branch of the department, you have made the statement that it would be a wise thing to have a Deputy Minister of Fisheries. Is it not a fact that the present Deputy of the Marine and Fisheries Department is practically only a figure head as far as the fisheries is concerned? What I mean by that is, that the policy of the fisheries branch is altogether controlled by the Commissioner, by yourself and others in your department, and that the Deputy has practically nothing to do with it? Is that not true?—A. Well, I should hardly say that is correct Mr. Bradbury. As a matter of fact the Minister of Marine and Fisheries himself takes a great personal interest in a great many of these matters, and goes into matters very thoroughly, and the Deputy Minister himself, I might say, also discusses the various questions that come up for consideration, but, of course, the work is really of great magnitude. I did not suggest a Deputy Minister of Fisheries, the question was put to me whether I objected to such a proposal.

Mr. BRADBURY.—It seems to me that we have so many deputies of departments, and I think you have enough men in the Fisheries Department, and if I understand the movements of the Fisheries Department, and I think I have followed it pretty closely the last three years, the views of Mr. Venning and yourself, and the Minister prevail, that the deputy does not cut much figure as regards the policy of the department. I look upon you and Mr. Venning as really responsible for the administration of the Fisheries Department.

WITNESS.—Of course we have officers in the field who report to us.

Mr. BRADBURY.—I know, but it seems to me that you are there, and there is no necessity for a deputy.

The CHAIRMAN.—With regard to that question of the restriction of licenses, which is a live question on the coast, I am not altogether satisfied.

Mr. MACLEAN.—I would suggest that that is one of the questions he is going to answer at the next meeting.

The CHAIRMAN.—Yes, but perhaps he will not answer it the way I want it answered, and I was going to suggest something to him, I would like him, in his answer—

Mr. CROSBY.—The Commissioner has showed conclusively his reasons, and he will answer the question in accordance with those reasons.

The CHAIRMAN.—The situation, of course, in my constituency, is that most of the licenses are in the hands of two American concerns, Burnham & Morrell and the Portland Packing Company. These American corporations seem to have a system of coming here with \$2 and obtaining a license to pack lobsters at a certain point, and they put \$2 into the department and receive a license. Then they have locked the door of the factory and compelled the fishermen, in a good many cases, to smack their lobsters to another factory that they choose to open somewhere else. That is a grievance to the young men who want to get into the business. The young man says: 'Why am I not allowed to pack lobsters? Here is a factory which has been closed for many years, no packing has been done in it, and the village loses the benefit of the people coming here, the merchants lose the benefit of the business which they used to obtain from the fishermen bringing their lobsters here.' That is what I am up against in my county and I want to know if there is any cure for that state of affairs, or if it must go on in that way. Have you, Professor, anything to propose better than the present system? You know how aggravating it is to the merchant, who is living at one of these points and doing business, and who wants to buy lobsters



from the fishermen from whom he is buying other fish, and pack them, to feel that these people from Portland and Boston can pack lobsters at some other place, but that he cannot pack any at all.

Mr. CROSBY.—The Commissioner has clearly and definitely shown us the various reasons why, in his opinion, the canning factories should be licensed, and one of the strong points made in that regard was whether the canner would make enough money under restrictions. It does not make any difference how many cannerymen you have if you limit your gear; it does not make any difference if you have a million cannerymen if you limit the gear, that is the point. A few years ago, I won't say how many years, a number of lobster factories were rented by certain large firms, some of them Canadian and some of them American; they held these factories for a certain time, it was three years, if I am not mistaken; after the law came into force that all canning factories were licensed and that no other factories would be licensed after that time—I think they gave them something like three years. Now then, these three years are up and these factories have been released to the men who owned them at that time, and from whom they were rented and who were canning lobsters in them for many years. Those men now have the factories back on their hands, they cannot get licenses for them and they cannot be operated, and the fishermen of those particular districts in which those factories are situated have to take their lobsters to wherever those large canning factories are operating. But the men who are operating these large factories can turn the key in the door at any time, whenever they like. They do not close down these factories for the protection of the lobsters at all, but they do it for their own advantage and that is the point we want to get out. I would like Professor Prince to answer fully that question, but he has not been allowed to do so. That seems to be the difficulty here, sometimes a question is asked, and before the witness can answer a number of other questions are asked; now it is quite clear that a witness cannot answer four or five questions at once.

*By Mr. Crosby:*

Q. I want to ask you some questions about these hatcheries. You spoke about Dr. A. D. Mead's experiments?—A. Yes.

Q. You said you approved of the method of hatcheries. Did I understand you to say that his methods did not produce as good results as the method we use down here was I right in that?—A. Yes. If millions of lobster fry are planted properly, the result must, I think, be better than a few thousands of larger fry.

Q. What I am told is that there are more come to maturity under our method than under Dr. Mead's method?—A. That is no doubt really the case, but Dr. Mead's method is valuable and of assistance to the lobster supply.

Q. Now in regard to the pound system, what do you think of the pound system we have now? I understand you to say that a great many of the lobsters lose their lives there, or that death comes to them by virtue of the pound not being deep enough. What is the condition of our pound—we have only one in Nova Scotia?—A. There was one at St. Mary's which was worked privately.

Q. How did that turn out?—A. I think we had in the Fisheries report a record of the percentage of deaths in Baker's pound, Galarouse; some did die, but it was only a small percentage, but there the lobsters are kept a comparatively short time, probably only two or three weeks or a month, and then are replaced in the sea again, and on the whole that works well. The only point about it is, I think, it is an expensive method, that the actual cost is somewhat heavy, but Mr. Cunningham is here and he may have something to say with regard to the lobster hatchery and Baker's pound.

*By Mr. Maclean:*

Q. You will be prepared at the next meeting to give us the result of the operation of that pound in your statement?—A. Yes.



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*By Mr. Crosby:*

Q. Another thing I would like to ask you—whether you can answer it to-day or not I do not know, and I do not want to prevent you giving the answer the chairman wants and which I very much desire with regard to the canning industry—but with regard to the close season, there are different close seasons in Nova Scotia, I understand, and I would like to know why that is the case. I have some views myself, in regard to it, but I want to find out from the department why there was a difference in the seasons. I would like to know your opinion on that, Professor, and also with regard to the Scotch Fishery Board, which is a question upon which we have a great deal of discussion in Nova Scotia.

Hon. Mr. BRODEUR.—I am afraid that we are perhaps going outside the scope of our inquiry on that point. The question you speak of is a very important question and might be made the subject of a special inquiry on the part of this committee. Professor Prince has come here to discuss the question of lobsters and I think it will be in the interests of the committee that these officers, when they come before us, should discuss one question at a time, and that they should not be asked to discuss such an important question as that of a Fisheries Board, which in itself is a very large question, in the midst of an inquiry into the lobster fisheries.

Mr. CROSBY.—I quite agree with the hon. minister, because it is a big question, and the reason I asked the question was that Mr. Maclean had also asked a question in reference to it.

Hon. Mr. BRODEUR.—I do not want to interfere, I was only making a suggestion on behalf of the officers. If an officer called here on the lobster question, is asked to answer offhand questions with reference to the appointment of a fishery board, there may be some confusion. He may not be prepared to answer immediately, especially if it is a question regarding the establishment in Canada of a Scotch Fisheries Board, which is a question of policy that might be determined better by the members of the committee than by the officers of the department.

Mr. MACLEAN.—I asked that Professor Prince should come before the Committee and it was my idea that it would be better for him to answer a few comprehensive questions respecting the administration of the Marine and Fisheries Department and in regard to the duties of the officials generally just to lay a foundation for the work of the Committee. Having asked those questions it was my intention to get back to the lobsters and specialize on that subject. I think it would have been better if those questions had been asked before Professor Prince made his statement.

Mr. CROSBY.—I would like, with regard to these hatcheries, to get from the witness the full particulars, what they are producing and what his opinion is in regard to them, also what his opinion is in regard to adopting Dr. Mead's system in this country, whether he thinks it would be better to do so. Then with regard to the canning licenses, I think we are interested very much in Nova Scotia, and particularly in the Chairman's county; there is a general idea with a great many people, rightly or wrongly, that the government is to blame to a great extent for discrimination in that connection, and the Committee can readily understand how that idea is fostered by the American concerns locking up some of their factories. I would also like the Professor to give us his opinion with regard to the pounds.

Mr. MACLEAN.—Then I suppose that in addition to the questions already put to Professor Prince, which he is to answer at a subsequent meeting, there is the question, should canning licenses be granted to aliens?

Mr. CROSBY.—I do not know whether you can call them aliens or not, some of them have been holding licenses for a long time and I do not know whether they are aliens.

Hon. Mr. BRODEUR.—I may say that as a matter of fact we have been doing something to relieve the situation in any place where we have found there is monopoly. Our idea has been to amend the situation along the lines of the co-operative plan.

Mr. BRADBURY.—I do not know whether I am in order or not, but a suggestion

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has been thrown out by Mr. Maclean with regard to the general policy of the department, and I have something in my mind along the same lines. That is, with reference to the controlling of our fisheries in Nova Scotia or New Brunswick by the Americans. From one end of Canada to the other I think the experience of the last few years has been that the Americans have practically control of our waters so far as the fisheries are concerned. The fisheries that I am connected with myself, in Lake Winnipeg and the Northwest, have been fished out by the Americans, and there should be something done by this Committee in the way of restriction; we should try to see if there is any way at all by which we can protect the Canadian interests as against the American. I want to ask the Committee to do something in the way of protecting Lake Winnipeg and the Northwest fisheries and would like to have one or two witnesses brought down and examined before this Committee regarding the condition of the fisheries in Manitoba and the Northwest. I am satisfied that Lake Winnipeg is in a pretty dangerous condition. We had there a few years ago the greatest whitefish fishery in the world, but that fishery has been depleted—I know the officers of the department will not agree with me, they have not agreed with me for years on that point—but I want it investigated. Our lakes have been fished out, not by Canadians, but by Americans; they have taken the Canadian industry by the throat and choked it.

Mr. MACLEAN.—Did they get licenses?

Mr. BRADBURY.—They have licenses in the names of Canadians, but they practically control the fresh fish trade.

The CHAIRMAN.—What do you propose in order to prevent that?

Mr. BRADBURY.—I want an examination made of our lake fisheries; I understand there is to be a Commission appointed; it has been promised the last couple of years, but I think it has materialized this year and that one or two commissioners have been appointed.

Hon. Mr. BRODEUR.—Two or three.

Mr. BRADBURY.—Is it the idea that this commission shall be in operation this year?

Hon. Mr. BRODEUR.—Yes, that is the reason for the appointment. I do not know whether it would be advisable, in view of the appointment of that commission, to investigate that question now.

Mr. BRADBURY.—It is a serious question and we have been appealing to the House of Commons to look into this matter. I think it would be well to have one or two men from the West brought here and examined.

Hon. Mr. BRODEUR.—One or two men will not give us much information, we will have to go into the whole question which is now before the commission, of which Professor Prince will be Chairman. Would it not be better to postpone the consideration of this question until next session when we will have the report of the commission to guide us?

Mr. BRADBURY.—I do not want to urge my views unduly and if you will promise me that this commission will go to work this spring I will accept your suggestion, but it has been delayed from year to year.

Hon. Mr. BRODEUR.—There has not been very much delay; Professor Prince has been looking into the matter. I would like very much to have the opportunity of examining Professor Prince on the organization of the department. A suggestion has been thrown out that we have not been distributing the work properly. Professor Prince has been appointed for the purpose of advising the department, and he has been relieved more or less formally of the administrative part of the work of the department. He was supposed to devote his time entirely to biological researches and to advise the department on the scientific part of the work, and during the last year he has been relieved from any administrative work. However, to make it clear I will read the recommendation of the acting Deputy Minister of Marine and Fisheries, as follows:—

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## MEMORANDUM TO THE MINISTER.

In the year 1892, Professor E. E. Prince, was appointed Commissioner and General Inspector of Fisheries for Canada. The object of his appointment seems to have been to provide an officer of scientific attainments, possessing skill in marine biology, who could act for the Fisheries Branch in the same manner as nautical advisers do for the Marine Branch of the same department.

According to this, Professor Prince was to act as a scientific adviser to the Fisheries Branch. The original intention seems to have been lost sight of and Professor Prince, as Commissioner of Fisheries, has had to undertake a certain quantity of administrative work and of correspondence, which has taken up a certain portion of his time which might have been devoted to scientific matters.

Last fall Professor Prince was appointed International Commissioner of Fisheries, to act with a Commissioner appointed by the United States Government, under the Fisheries Treaty, which was signed on the 11th April, 1907. Professor Prince is also Chairman of several Investigation Commissions, which are studying the conditions of the fisheries at various points of this country; he is Chairman of the Biological Board and a great deal of his time is devoted to other scientific matters relating to the fisheries.

Under the circumstances it would seem advisable that Professor Prince be relieved of all the work of administration and of correspondence, which he has had to undertake within the last few years.

The undersigned begs to recommend that Professor Prince's duties consist of his work in connection with the International and other Commissions, of which he forms part, or to which he may be appointed later on by the Minister or the Governor in Council, and of his work in connection with the Biological Board, and that he should be the General Scientific Adviser of the department on matters relating to Fisheries.

The administrative work of the branch should be undertaken by Mr. R. N. Venning, the Superintendent of Fisheries, who should also have charge of the correspondence of that branch.

This was signed by the acting deputy, and was concurred in by myself on the 23rd of February last, so that the department is now properly organized. Professor Prince is now looking after the International Commission and then will devote his time to the Commissions upon which he has been or may be appointed for the purpose of making investigation and researches into the very best way of improving our fisheries and of developing the commercial side of it, and he also has charge of the scientific work in connection with the fisheries. All the administrative work of the department and the correspondence is now under the control of Mr. Venning.

Mr. BRADBURY.—Can you tell me the names of those Commissioners who have been appointed?

Hon. Mr. BRODEUR.—Yes, they are Professor Prince, Mr. Reid and Mr. Metcalfe.

Mr. BRADBURY.—That is a good commission.

Hon. Mr. BRODEUR.—Yes, it is a good commission and they are going to start as soon as possible. Of course Professor Prince will have to meet Dr. Jordan to draft the regulations concerning the International Fisheries Treaty, but in the meantime they will go on with the investigation.

Mr. MACLEAN.—I was going to say when Mr. Bradbury suggested the appointment of this fishery commission for Lake Winnipeg that this Committee has been appointed with the idea, and I hope it will be carried out, that it will be a permanent committee. I would like to see it have plenty of work to do. But with regard to this Commission it is possible that they can conduct experimental or research work much better than a parliamentary committee could, but I would just as soon have the opinion of Professor Prince or Mr. Venning given to this Committee after investigation made on the ground as I would that of any commission, I do not care who they are. I think it is



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a great waste of public money having fishery commissions—I am not going to say it is an absolute waste of money and time—but suppose you send a commission to Winnipeg and examine 100 or 200 people; you have a compilation of a lot of evidence which, when printed is thrown into some corner where nobody ever sees it or wants to see it because it is so voluminous. The matter of the conduct of the fisheries of Lake Winnipeg is, after all, a matter of policy which should always be determined on some line of reasoning, and I think this Committee, with the assistance of the officers of the department, could do it very much better and more quickly than any commission could. Now, a commission was appointed to investigate the lobster business in Nova Scotia, and the report of that commission is now before us; I heard evidence given before that commission. I went to places where they were sitting, and I have not the slightest hesitation in saying that what I heard in some of those places was absolutely useless because one man gives one view and another gives another view. The result was, I have not the slightest hesitation in the world, that the report of that Commission was the report of Prof. Prince. Now if the officers of the Department are doing their work, if they are students of their work, they, together with the representatives of the people in parliament, should know the local conditions and are on the whole better judges than even the people themselves, because the parliamentary representatives are continually hearing the views of everybody else and they gradually assimilate those views and reach a conclusion. Of course, I am not desirous of interrupting the present policy of the Department or its present decision to appoint Commissioners but I think that hereafter there should be as few of these commissions as possible. I think this Committee can do the work much more quickly and at less expense to the country than could any Commission you could name providing it is given the assistance of the officers of the Department and that they are sent upon the ground to study questions, coming back afterwards to the committee with their views.

Mr. BRADBURY.—The point which Mr. Maclean has raised is a good one. If the appointment of this commission has not gone too far I would be satisfied to see it done away with and the investigation carried on by this Committee.

The CHAIRMAN.—We cannot deal with that question here.

Mr. BRADBURY.—Why?

The CHAIRMAN.—Because it is too big a question and it has gone to the House.

Hon. Mr. BRODEUR.—What we want to do by means of this Commission is to get the views of the fishermen on the spot. They have sent us complaints and they want us to investigate them. How can a Committee such as this, sitting here for only three or four hours a week, conduct such an investigation and take the evidence of these men? It would be altogether impossible. We are going to send a Commission there to examine the persons making the complaints and obtain their views. Some of those views may not be of much value but others will undoubtedly be of great value.

Mr. BRADBURY.—Some of them undoubtedly will.

Hon. Mr. BRODEUR.—If we undertake to attach all such work to this Committee I do not think we will be able to properly discharge our duties in that regard. It may be that some things which formerly were inquired into by commissions may be undertaken by this committee, which possibly may suggest questions of policy, but in regard to a commission such as that just appointed the investigation must be undertaken on the ground amongst the people in the Northwest. Otherwise it means simply examining a few witnesses who may be brought here and those men perhaps not the best that could be chosen. At the same time I think that in some cases commissions could be dispensed with and the work efficiently performed by this Committee.

Mr. JAMESON.—I would like to have produced at the next meeting if possible, a memorandum showing the number of canning licenses in the respective counties. It would not be necessary to have the names of the persons holding the licenses but simply the number in each county.



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Hon. Mr. BRODEUR.—Might I be permitted to make a suggestion to the Committee. We had asked Mr. Cunningham to come here and produce a statement on the question of hatcheries and the breeding of lobsters. Mr. Cunningham has prepared a statement and I would suggest that it be printed and incorporated with to-day's evidence. Each member of the Committee can read the statement over in the meantime and be prepared, if necessary, to question Mr. Cunningham at the next meeting of the Committee.

The CHAIRMAN.—Carried.

[For statement of Mr. Cunningham, see page 33.]

The CHAIRMAN.—I wish also to submit for the consideration of the Committee a statement which has been sent to me by Senator Ross. The honourable senator, as you all know, has for many years taken a great interest in the fisheries of Nova Scotia and has embodied his views in the statement referred to. Part of his statement deals with the question which we have been considering and extracts may be culled from it for the use of those people interested in lobsters. I wish to place it among the records of the Committee.

Mr. MACLEAN (Lunenburg).—Let it lie on the table until we have an opportunity of seeing it at the next meeting.

The CHAIRMAN.—I wish to submit it to the members of the Committee if they choose to look over it.

Mr. WARBURTON.—I would like to have summoned as a witness Mr. John S. Cousins, Park Corner, New London, P.E.I.

Mr. CROSBY.—And I would like to have as a witness on lobsters and oysters, Mr. Wilson of Halifax.

Hon. Mr. BRODEUR.—I would suggest the names of Messrs. William Whitman, Geo. Walsh, and Alexander Keating, Secretary of the Fish Union, Causo. These gentlemen can be notified by telegram as to the date upon which they will be required to attend.

Committee adjourned.

*Extract from Fisheries Act, Chap. 45, R.S.C.*

## LOBSTER FISHERIES.

35. No one shall, at any time, can or cure lobsters, except under license from the Minister. 58-59 V., c. 28, s. 1.

36. The fee for any such license shall be at the rate of two dollars per hundred cases or packages or fraction of one hundred cases or packages, containing lobsters canned or cured under such license.

(2). Each case or package shall contain forty-eight one-pound cans, or ninety-six one-half-pound cans. 58-59 V., c. 28, s. 1.

37. Every case or package containing lobsters canned or cured in Canada, before being removed from the factory or canning establishment where such lobsters have been canned or cured, shall be labelled or stamped with such label or stamp as is prescribed by the Minister: Provided that the Minister may grant a permit for the removal of legally packed cases from any factory to any store or building before being labelled or stamped for final shipment.

(2). Every case or package, if not removed from such factory or canning establishment on or before the day on which the close season commences, shall be so labelled or stamped within seven days thereafter, and all unused labels or stamps shall immediately after such removal be returned to the Minister. 58-59 V., c. 28, s. 1.

38. Every case or package containing lobsters imported into Canada shall immediately upon being imported be labelled or stamped with such label or stamp as is prescribed by the Minister. 58-59 V., c. 28, s. 1.

39. The owner or manager of every lobster factory or canning establishment in Canada shall send to the Minister not later than the first day of September in every year, a true return of,—

- (a) the number of fishermen employed, and of the lobster traps used in connection with his factory or canning establishment;
- (b) the number of persons employed in such factory or canning establishment, distinguishing the sexes;
- (c) the number of cases of lobsters packed during the season; and,
- (d) such other details and particulars as are from time to time required by the Minister. 58-59 V., c. 28, s. 1.

40. Any label or stamp prescribed by the Minister upon any empty case or package, shall be entirely obliterated and destroyed within seven days after the commencement of the close season.

(2) Whenever any labelled or stamped case or package, containing canned or cured lobsters, is opened or emptied, the label or stamp thereon shall be entirely obliterated and destroyed by the person in whose hands the same is, unless such case or package is opened or emptied for the purpose of testing or repacking the canned or cured lobsters contained therein, the burden of proof of which shall be on the owner or packer of such package or case. 58-59 V., c. 28, s. 1.

41. The manager or proprietor of every lobster factory or canning establishment shall, on demand, produce his license to any fishery officer. 58-59 V., c. 28, s. 1.

42. The manager or owner of every lobster factory or canning establishment shall, on the request of any person authorized or employed by the Minister to hatch lobsters, as far as possible and with due care, take from and keep, in such manner as is from time to time prescribed by the Minister, all eggs attached to lobsters brought to such factory or canning establishment, and deliver such eggs to a person authorized by the Minister to receive them. 58-59 V., c. 28, s. 1.

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76. Every case or package containing lobsters canned or cured in Canada not labelled or stamped according to the provisions of this Act, or which, being unlabelled or unstamped, is removed from the factory or canning establishment where such lobsters have been canned or cured, without a permit from the Minister, shall be liable to seizure, and, upon seizure, shall become confiscated to His Majesty; and the owner, packer or exporter of any such case or package shall be liable to a penalty not exceeding twenty dollars and costs. 58-59 V., c. 28, s. 1.

77. Every case or package containing lobsters imported into Canada, without being labelled or stamped with such label or stamp as is prescribed by the Minister shall be liable to seizure, and, upon seizure, shall become confiscated to His Majesty; and the person or persons owning or possessing any such case or package shall be liable to a penalty not exceeding forty dollars and costs. 58-59 V., c. 28, s. 1.

78. Every owner or manager of a lobster factory or canning establishment in Canada who fails to send to the Minister, not later than the first day of September in every year, a true return of,—

- (a) the number of fishermen employed, and of the lobster traps used in connection with his factory or canning establishment;
- (b) the number of persons employed in such factory or canning establishment, distinguishing the sexes;
- (c) the number of cases of lobsters packed during the season; and,
- (d) such other details and particulars as are from time to time required by the Minister;

shall be liable to a penalty not exceeding four hundred dollars and costs. 58-59 V., c. 28, s. 1.

79. Every manager or proprietor of a lobster factory or canning establishment who refuses on demand to produce his license to any fishery officer, shall be liable to a penalty not exceeding one hundred dollars and costs. 58-59 V., c. 28, s. 1.

80. Every manager or proprietor of a lobster factory or canning establishment who obstructs any fishery officer in the discharge of his duty shall be liable to a penalty not exceeding one hundred dollars and costs. 58-59 V., c. 28, s. 1.

81. Every manager or owner of a lobster factory or canning establishment who, on the request of any person authorized or employed by the Minister to hatch lobsters, neglects or refuses to take from and keep, as far as possible and with due care, and in such manner as is from time to time prescribed by the Minister, all eggs attached to lobsters brought to such factory or canning establishment, or neglects or refuses to deliver such eggs to a person authorized by the Minister to receive them, shall be liable to a penalty not exceeding five dollars for each such neglect or refusal. 58-59 V., c. 28, s. 1.

82. Every person who counterfeits or alters any label or stamp prescribed by the Minister to be labelled or stamped on any case or package containing lobsters canned or cured in Canada, or, with fraudulent intent, labels or stamps any such case or package with any label or stamp purporting to be the label or stamp so prescribed by the Minister, shall be liable to a penalty of forty dollars and costs. 58-59 V., c. 28, s. 1

## GENERAL FISHERY REGULATIONS.

GOVERNMENT HOUSE, OTTAWA,

THURSDAY, SEPTEMBER, 1907.

His Excellency, in virtue of the powers vested in him by 'The Fisheries Act,' chapter 45 of the Revised Statutes, and by and with the advice of the King's Privy Council for Canada, is pleased to make the following Fishery Regulations, namely:—

*Sec. 1.—Angler's Permits in the Inland Waters of the Dominion of Canada.*

1. No person, other than a British subject, shall angle for or take any sporting fish in Canada without having first obtained therefor an angler's permit, issued by the fishery officer in each district, under the authority of the Minister of Marine and Fisheries, except in the Provinces of Ontario and Quebec, where such permits are issued under the authority of the Provincial Governments.

2. Each person, not a British subject, shall pay for such angler's permit a fee of \$5.00.

3. One angler's permit only shall be issued to each applicant. Such permit shall not be transferable, and can be legally used only by the person whose name appears thereon. Each holder of an angler's permit shall be required to produce and exhibit his permit, when called upon to do so by any fishery officer.

4. No person shall use, under an angler's permit more than one fishing line, provided with not more than three hooks.

5. No trout shall be retained or kept out of the water under 6 inches in length, and no salmon or grise of less weight than three pounds; but every person who takes or catches any of the fish mentioned, of a less size or weight than the minimum named, shall immediately return such undersized fish to the water from which they were taken, and shall, if possible, liberate such fish alive.

6. No person holding an angler's permit shall sell or offer for sale any fish caught with hook and line.

7. Any person or persons violating any of the above regulations shall be liable to the fines and penalties provided by the 'Fisheries Act,' chap. 45 of the Revised Statutes of Canada.

8. Nothing in these regulations shall affect the rights of any person or persons holding leases of fishing rights from either Federal or Provincial authorities.

9. Foreigners, when temporarily domiciled in Canada and remaining thirty consecutive days or more and employing Canadian boats and boatmen, shall be exempt from the regulation requiring permits.

*Sec. 2.—Clams—Soft-shell, Long-neck or Squirt-clams.*

The export of soft-shell, long-neck or squirt-clams (*Mya Arenaria*) in a raw state taken in the Provinces of Quebec, New Brunswick, Nova Scotia, or Prince Edward Island, from the 1st day of May to the 30th day of September, both days inclusive, in each year, is prohibited.

*Sec. 3.—Dynamite for killing Fish.*

1. It shall be unlawful for any person or persons to procure or have in possession on board of any boat or vessel or elsewhere within Canada, any dynamite or other explosive material with the intention of using or attempting to use or allowing or permitting the same to be used or attempted to be used for the purposes of catching or killing or attempting to catch or kill any kind of fish, shell-fish or marine animal.

2. It shall be unlawful for any person or persons to put or place or have upon or in any boat or vessel engaged or employed or intended to be engaged or employed in fishing, any dynamite or other explosive material.

3. In case any such dynamite or other explosive shall be found or proved to be or to have been in or upon any such boat or vessel, the master and the owner thereof shall each be liable for the penalty provided for breach of the last preceding Regulation, as well as any other person or persons who may have put or placed such dynamite or other explosive upon or in the said boat or vessel or had the same in possession therein.

*Sec. 4.—Export of Trout Prohibited.*

No one shall receive, ship, transport or have in possession for the purposes of shipping or transporting out of the Dominion of Canada any speckled trout, river



## APPENDIX No. 3

trout or sea trout, taken or caught in the Provinces of Ontario, Quebec, New Brunswick, Nova Scotia and Prince Edward Island; provided,—

1. Any person may so ship such trout caught by him for sport, to the extent of 25 lbs. in weight, if the shipment is accompanied by a certificate to that effect from either the local fishery officer in whose district the fish were caught or from the local station agent adjacent to the locality in which they were caught or is accompanied by copy of the official license or permit issued to the person making the shipment.

2. No single package of such trout shall exceed 25 lbs. in weight, nor shall any person be permitted to ship more than one package during the season.

*Sec. 5.—Lobster Fishery.*

(See also Fisheries Act, sections 35 to 42 inclusive.)

1. No one shall fish for, catch, kill, buy, sell or have in his possession lobsters from the last day of May to the fourteenth day of December in each year, both days inclusive, on and along that part of the coast or the waters thereof, of the Province of Nova Scotia, embraced and included within the Counties of Yarmouth, Shelburne, Queens, Lunenburg, and that part of the County of Halifax west of a line running S.S.E. from St. George's Island, Halifax Harbour, Nova Scotia, and coinciding with the fairway buoys in the entrance of the said harbour; nor shall any person within the above described limits, at any time, fish for, catch, kill, buy, sell or have in his possession any lobster or lobsters under nine inches in length, measuring from head to tail, exclusive of claws or feelers.

2. No one shall fish for, catch, kill, buy, sell or have in his possession lobsters from the last day of June in each year to the fourteenth day of January then next following, both days inclusive, in any part of the Bay of Fundy, or on any part of the coasts thereof, inside of a line drawn from the division line of the Counties of Charlotte and St. John, near Point Lepreau, running outside of Brier Island, to the boundary line between the Counties of Digby and Yarmouth, in the Province of Nova Scotia; nor shall any person, within the above described limits, at any time, fish for, catch, kill, buy, sell or have in his possession any lobster or lobsters under 10½ inches in length, measuring from head to tail, exclusive of claws or feelers, excepting on the part of the coast or the waters thereof of the Province of New Brunswick embraced and included within the County of St. John, where it is hereby provided that no one shall fish for, catch, kill, buy, sell or have in his possession lobsters from the last day of June in each year to the fifth day of January then next following, both days inclusive.

In the Counties of Charlotte, New Brunswick, and Digby, Nova Scotia, no one shall fish for, catch, kill, buy, sell or have in his possession lobsters from the fifteenth day of June to nine o'clock a.m. on the sixth day of January, then next following; nor shall any person within the above described limits, at any time, fish for, catch, kill, buy, sell or have in his possession any lobster or lobsters under nine inches in length, measuring from head to tail, exclusive of claws or feelers; providing that in that portion of the County of Digby fronting on the Bay of Fundy the legal size limit for lobsters shall be ten and one-half inches in length, measuring from head to tail, exclusive of claws or feelers.

3. No one shall fish for, catch, kill, buy, sell or have in his possession lobsters from the first day of July in each year to the thirty-first day of March then next following, both days inclusive, on and along that part of the coast of the Province of Nova Scotia or the waters thereof, from the aforesaid line, running S.S.E. from St. George's Island, Halifax Harbour, Nova Scotia, and coinciding with the fairway buoys in the entrance of the said harbour, extending eastwardly and following the coast line, as far as Red Point, between Martin Point and Point Michaux, in the Island of Cape Breton, and including Chedabucto Bay and St. Peter's Bay, and the

coasts and waters of all the islands lying in and adjacent to these bays, and including the coasts and waters of the Gut of Canso, as far as a line passing from Flat Point in Inverness County, to the lighthouse in Antigonish County opposite.

4. No one shall fish for, catch, kill, buy, sell or have in his possession lobsters from the first day of August in each year, to the last day of April then next following, both days inclusive, on and along that part of the coast of Cape Breton Island, in the Province of Nova Scotia, or the waters thereof, from Red Point, between Martin Point and Point Michaux, in the Island of Cape Breton, and extending to, and around Cape North, as far as and including Cape St. Lawrence; also the north shore of the Gulf of St. Lawrence, from the Bay of Blanc Sablon, in the Province of Quebec, westward to the head of tide, embracing the coasts and waters of all the islands adjacent to the said shore, and including the Island of Anticosti, and lobster fishing on the coasts and waters of all the islands known as the Magdalen Islands, including Bird Rocks and Bryon Island, may begin on the twentieth day of April in each year and end on the tenth day of July then next following; also that a fall fishing season is permitted in these waters during the month of September in each year; but no one shall, at any time, fish for lobsters in the lagoons.

5. No one shall fish for, catch, kill, buy, sell or have in his possession, lobsters from the eleventh day of August in each year, to the twenty-fourth day of May then next following, both days inclusive, along the coasts and in the waters of Northumberland Straits, between a line on the northwest, drawn from Chockfish River, in New Brunswick, to West Point, in Prince Edward Island, and a line on the southeast, drawn from Indian Point, near Cape Tormentine, in New Brunswick, to Cape Traverse, in Prince Edward Island.

6. No one shall fish for, catch, kill, buy, sell or have in his possession, lobsters from the eleventh day of July in each year, to the nineteenth day of April then next following, both days inclusive, in any part of Canada or the coasts or waters thereof, not embraced within the limits described in the foregoing regulations.

7. Excepting as elsewhere provided as above, in which the size limits are fixed at nine inches and ten and a half inches, no one shall, in any part of Canada, or the coasts or waters thereof, at any time, fish for, catch, kill, buy, sell or have in his possession any lobster or lobsters under eight inches in length, measuring from head to tail, exclusive of claws or feelers.

8. No one shall fish for, catch, kill, buy, sell or have in his possession for any purpose whatever, any berried lobster or lobsters, or any soft-shell lobster or lobsters. Such lobsters when caught shall be liberated alive.

9. No one shall set or place lobster traps or other fishing apparatus, for the purpose of taking lobsters in any waters of the depth of two fathoms or under.

10. No one shall set or place lobster traps or other fishing apparatus for the purpose of taking lobsters, at a distance of less than one hundred yards from any stationary salmon net, set apart for the purpose of taking salmon.

12. No one shall, for canning purposes, boil lobsters on board any ship, vessel, boat or floating structure of any description whatever, except under special license from the Minister of Marine and Fisheries.

13. No one shall prepare to fish for lobsters by placing or setting any buoys, lines or other gear used in connection with such fishing, before 6 o'clock in the morning of the day on which it is lawful to take or catch lobsters in the locality affected.

#### TRAWL FISHING FOR LOBSTERS.

The use of trawls for the purpose of catching lobsters is prohibited in the waters of the Counties of Gaspé and Bonaventure.

## APPENDIX No. 3

## ORDER IN COUNCIL

AT THE GOVERNMENT HOUSE AT OTTAWA,  
MONDAY, the 9th day of March, 1908.

PRESENT:

HIS EXCELLENCY THE GOVERNOR GENERAL IN COUNCIL.

His Excellency the Governor General in Council, in virtue of section 54 of The Fisheries Act, chapter 45 of the Revised Statutes of Canada, 1906, is pleased to order that subsection 11 of section 5 of the 'General Fishery Regulations,' established by order in council of the 12th September, 1907, shall be and the same is hereby rescinded, and the following substituted in lieu thereof:—

11. 'No one shall, for canning purposes, offer for sale, sell, barter, supply or purchase any fragments of lobsters, lobsters purposely mutilated or broken up, or any broken lobster meat, and all fragments of lobsters, lobsters purposely mutilated or broken up, or broken lobster meat, so offered for sale, sold, bartered, supplied or purchased, shall be liable to seizure and confiscation, unless possessed for the purpose of domestic consumption only, and not for canning, the proof whereof shall devolve on the owner or possessor; nor for canning purposes shall any lobster or lobsters be boiled or partially prepared elsewhere than in the cannery licensed for that purpose.'

RODOLPHE BOUDREAU,  
*Clerk of the Privy Council.*

*Sec. 6.—Oyster Fishery Regulations.*

1. No person shall fish for or catch oysters without a lease or license from the Minister of Marine and Fisheries.

2. The owner, person or persons interested in a fishing boat employed in the oyster fishery shall cause a memorandum in writing, setting forth the name of the owner, person or persons interested, to be filed with the local fishery officer who, if no valid objection exists, may, under instructions from the Minister of Marine and Fisheries, issue a fishery license for the same, and any boat or fishing apparatus used without such license, shall be deemed to be illegal and liable to forfeiture, together with the oysters caught therein, and the owner and person using the same shall be subject to the penalties prescribed by the Fisheries Act.

3. All boats fishing for oysters shall have a registration number corresponding with that of the license legibly marked or painted on the bow of the boat, in white coloured letters on a black ground, and the initial letter of the port to which such boat belongs, such letters to be at least eight inches in length.

4. Oysters shall not be fished for, caught, killed, bought, sold or had in possession from the 1st day of April to the 30th day of September, both days inclusive, in each year.

5. Fishing for oysters or any other shell fish through the ice is prohibited.

6. No person shall fish for, catch, kill or buy, sell or have in possession any round oysters of a less size than three inches in diameter of shell, nor any long oysters measuring less than three and a half inches of outer shell.

Round oysters of a less size than three inches in diameter, and long oysters measuring less than three and a half inches on the outer shell, and that may be accidentally caught, shall be returned to the water alive, at the cost and risk of the person so fishing, on whom, in every case, shall devolve the proof of actual liberation.

Provided always that persons holding fishery licenses, may obtain from the Minister of Marine and Fisheries, permission to fish for and catch small oysters for the purpose of planting or stocking oyster beds.

7. Fishing for oysters is prohibited on Sunday, and from sunset to sunrise on any other day of the week.



8. (a) No person shall dig mussel mud within 200 yards from any live oyster bed, and then only at such place or places as may be prescribed in writing by a fishery officer.

(b) No person shall dig mussel mud in Trout river, Prince county, Prince Edward Island, excepting above a line drawn from Peter Miller's Middle Point to a point of land at the end of Yeo's Portage Road.

(c) No person shall dig mussel mud in Biddeford river, Prince county, Prince Edward Island, excepting above a line drawn from Biddeford Shipyard to Colin McKay's point, including Pawes creek.

9. The use of rakes for the purpose of taking oysters on any beds prepared or planted by the Department of Marine and Fisheries, is prohibited.

10. The use, for taking oysters on oyster-beds, of quahaug rakes, tongs operated by purchase power, or tongs or rakes other than the ordinary ones now in use in oyster fishing in the provinces of Prince Edward Island and New Brunswick, is prohibited.

11. All the waters of the York or North river, Queens county, Prince Edward Island, included between the bridge from Poplar island to the west shore on the said river and a due east and west line drawn from the mouth of Forkey creek to the opposite shore, are hereby set apart for the natural and artificial propagation of oysters.

12. All the waters of Big Tracadie Harbour lying east of a line drawn due north and south (true) across the narrowest part of the entrance of the West Arm, situated at Tracadie, in the County of Antigonish, in the province of Nova Scotia, are hereby set apart for the natural and artificial propagation of oysters.

13. All the waters of Shediac Harbour, extending from a line drawn south,  $67^{\circ}$  west (due west magnetic) from Mr. Peritpas' house on Shediac Island, to Mr. Wilbur's tannery, on the north side of Wilbur's Cove, southwardly to a line drawn from the south extremity of Snake Point,  $50^{\circ} 7' 30''$  west (west by south  $\frac{1}{2}$  south magnetic) to the corner of Moncton road, the points where the boundary lines above described cut the high water on shore being marked in each case by a square cedar post, inscribed O.R., and the whole including below low water mark an area of 980 acres, be the same more or less.

And all the waters of Shediac harbour extending from a straight line drawn south  $60^{\circ} 19'$  east, between the station established on the south of Shediac island, at its mouth, being the point of Shediac island (this being the north limit of the said reserve) and the north boundary of the reserve set apart by the next preceding paragraph, the whole containing an area of 482 acres, more or less.

#### *Sec. 7.—Quahaug or Hard-shell Clams.*

1. No one shall fish for or catch hard-shell clams or quahaugs without a license from the Minister of Marine and Fisheries. The fee on each such license shall be one dollar per season.

2. No one shall fish for, catch, kill, buy, sell or possess hard-shell clams or quahaugs, excepting during the months of May, June and September, in each year.

3. No one shall fish for, catch, kill, buy, sell or possess hard-shell clams or quahaugs of a less size than one and one-quarter inches in length, and any such hard-shell clams or quahaugs measuring less than one and one-quarter inches in length, on the outer shell, that may be accidentally caught, shall be returned to the water alive by the person so fishing.

4. The use of rakes for catching hard-shell clams or quahaugs, having teeth less than one and one-quarter inches apart, is prohibited.

5. Fishing for hard-shell clams or quahaugs in bays, harbours and other waters within the Dominion of Canada, where oysters are taken, shall be permitted only on areas set apart and marked out by the local fishery officer for the respective districts in which such fishing is prosecuted.



## LOBSTERS.

Mr. F. H. CUNNINGHAM, Superintendent of Fish Culture, was called and submitted the following statement:—

In speaking of the Lobster Fisheries of Canada, such a wide field for discussion and criticism is opened that it is a dangerous path to travel, especially as there appears to be no concerted opinion as to the manner of protection or the best method of artificial propagation.

As a food the lobster holds a leading place with the epicure and as a commercial commodity takes first place in the fisheries of the maritime provinces, thus forming an important factor in one of Canada's greatest assets.

For the year 1907 the yield was 8,660,550 pounds preserved, and 97,490 cwt. of fresh or live lobsters, having a commercial value of \$4,084,122. Truly a rich asset and one worthy of the best and most thorough protection that can be devised.

As I am requested to give some information to this committee on the propagation of the lobster, it is essential that something be said on the habits of this crustacean from the time the egg is extruded by the female up to the period of maturity.

Copulation occurs usually in the spring and the sperm, which has great vitality, is retained in a receptacle of the female for a considerable period.

The period between the act of copulation and the ejection of the eggs depends upon natural conditions, but it is well known that the extrusion and impregnation is simultaneous. The eggs are attached to swimmerets by adhesion and are carried by the female lobster for a period of several months if extruded on a falling temperature or in the fall of the year. If extruded on a rising temperature, or in the early spring, the hatching period is much shorter. Thus eggs extruded in the late summer hatch the following spring.

The hatching process will occupy about a week or more, the young receiving no attention from the mother lobster, but lead an independent existence after becoming detached from her.

An estimate of the quantity of eggs given by various sized lobsters is as follows:—

8 inch lobster,	5,000 eggs.
10     "	10,000     "
12     "	20,000     "
14     "	40,000     "

The size of the egg is  $\frac{1}{16}$  of an inch in diameter.

The first year of the lobster's existence may be said to be a series of molting and during which time it attains a length of from two to three inches.

At the end of the second year the length is from five to seven inches, and a ten inch lobster may be rated at about five years old.

Very few lobsters under nine inches in length bear eggs, but an occasional eight inch lobster will be found in this condition.

## ARTIFICIAL PROPAGATION.

The first important point for consideration in the artificial propagation of lobsters is the selection of a suitable site, which offers facilities close to nature for hatching and distribution purposes.

A supply of clean, salt water is essential and which should have a salinity of not less than two and a half ounces of salt to the gallon of water.

A site with a bold shore is preferable as a sufficient depth of water can be secured close to shore, thus avoiding a long and expensive pipe and ensuring a full supply of clean water. The question of fresh water for machinery purposes is also an important factor when selecting a site. The situation of the canning factories must also be considered in this connection as it is from this source the eggs are procured, and the closer they are located to the hatchery, the better for the success and economical management of an establishment of this kind.

### COLLECTION OF EGGS.

This is the most vital point in fish culture, for if this operation is not performed with the greatest care and the eggs placed in the hatchery jars in good condition, a successful season cannot be expected.

The present system in vogue is a fairly good one and is carried out as follows:—Arrangements are made with the owner or manager of a cannery for the selection of a reliable employee whose duty it is to remove the eggs from the lobsters as brought in by the fishermen. These eggs are then placed on trays packed in a box, frequently sprinkled with salt water and kept in a cool place until called for by the hatchery boat, which is every day, weather permitting.

On reaching the hatchery these eggs are immediately placed in the hatchery jars, through which a supply of water is constantly flowing, which keeps the eggs slightly moving until the young lobster is hatched, when it, of its own accord, rises to the surface of the water and passes into the receiving tanks provided for that purpose.

It must not be thought that the hatching apparatus has reached such a state of perfection that all this detail can go along without constant attention from the employees of the hatchery.

They are constantly watching each jar to see that a continuous movement is going on and it is very often necessary that the motion of the eggs should be accelerated by gently stirring with a wing.

### DISTRIBUTION.

The young lobsters having reached the retaining tanks it is now necessary to consider their removal to the sea, which is done from ten days to two weeks from the time of hatching, their development depending essentially on the temperature of the water.

Their removal is conducted by placing them in small, deep barrels, which are conveyed in the hatchery boat for a distance of about two miles from shore and deposited as near as possible on the natural hatching grounds. This work is accomplished by either dipping them out or by the means of syphoning through one inch rubber hose, whilst the boat is moving slowly along.

### RESULTS.

The question frequently asked in connection with the expenditure of money for the artificial propagation of the lobster is: What results have been derived therefrom?

It is not possible to point to any conclusive proof in this direction, but one thing is certain, that whilst the number of egg-bearing lobsters is becoming scarcer each year, yet the actual number of lobsters captured for commercial purposes has not decreased, but on the other hand have increased; but owing to their small size, have not reached the egg-bearing stage, hence they find their way to the market without an opportunity of once reproducing their species.

Again reports of officers are to the effect that at no time were there so many immature or small lobsters on the grounds as during the past year or two, this especially refers to localities in which hatcheries have been established.

## APPENDIX No. 3

Again as a fair proof of the success of the hatcheries attention may be called to the numerous applications which are constantly being received for additional establishments, and as such requests emanate from practical fishermen, through their representatives in parliament, it is only fair to assume that the work of the department in the artificial propagation of the lobster has the confidence of those most benefited.

During the season of 1907, five hundred millions of young lobsters were distributed from the five hatcheries in operation on the Atlantic seaboard. Now if only 2 per cent of this number reaches maturity we have a result of ten million mature lobsters, having a value of at least \$1,000,000, the cost of production \$12,500.

## LOBSTER POUNDS.

The question of a further protection of the egg-bearing lobster by instituting retaining pounds is one that has been receiving attention by the department.

In 1903, an arrangement was approved with Mr. H. E. Baker, whereby a portion of his lobster pound, located on the southern side of Fourchu Harbour, has been used for the retention of berried lobsters, such lobsters being liberated in the various areas as the close season commences.

Mr. Baker is paid 16½ cents for each lobster liberated in such areas. The whole operation being supervised by an outside officer of the department.

The number impounded is limited to forty-five thousand berried lobsters and no other expenses are assumed by the government beyond the 16½ cents referred to for each lobster.

The utility of this pound has been specially and most favourably reported upon in the following words by a special inspecting officer.

'The inclosure is teeming with vigorous, newly-hatched-out fry, many are making their way out of the pound through the wire netting into the sea.'

Now it is a difficult matter to draw comparisons as to the relative value of pounds and hatcheries.

In pounds a given number of female lobsters, bearing eggs, are retained for a given period, some of the eggs hatching during the retention, the fry finding their way to the sea. The lobsters are all liberated and the hatching process continues at sea.

How many of these eggs actually hatch? A question no one can answer. But we do know that last year some five hundred millions of vigorous live lobsters were placed in the sea from the hatcheries.

I am in favour of every device that will assist nature in her efforts to increase the lobsters and pounds are no doubt of great value in this direction, but to make them thoroughly effective female lobsters, whether carrying eggs or not, should be retained, as, if the opinion of biennial spawning is a correct one, then it is all the more necessary that my suggestion be favourably considered; otherwise the pound lobsters of this year's retention has no protection next year.

To emphasize this it may be pointed out that the size of the lobster retained last year in Mr. Baker's pound is given as follows:—

	8 per cent	under 8 inches.
56	"	between 8 and 9 inches.
22	"	between 9 and 10 inches.
13	"	over 10 inches.

Now as it is the 10 inch and larger lobster that gives the maximum number of eggs it is certainly necessary that the smaller female lobster should be protected until she has had at least one opportunity of producing the maximum number of eggs that nature intended.

In the state of Maine lobster pounds have received great attention as a commercial enterprise, they being used to retain lobsters until such time as a rising market presents itself.

As far as I can learn there are no government pounds for propagation or retention of female lobsters, the waters being stocked with young lobsters from the hatchery at Gloucester.

The cost of constructing retaining pounds in Canada will average \$3,000. The maintenance of the same I cannot refer to as there is no data in the department covering this.

The cost of building and equipping a hatchery is \$3,500 (not including wharf), and a yearly expenditure of \$2,500 for maintenance.

On some parts of the Atlantic coast the close season commences before the female lobsters have extruded their eggs, which of course prohibits the successful operation of hatcheries; hence these are the areas where pounds would be of value.

In the cannery are as the hatcheries are, in the opinion of the undersigned, of more value to the lobster industry than retaining pounds.

I wish to state most emphatically that pounds wherever established as an aid to the lobster industry should be owned and managed by the department.

One other point presents itself which is considered a vital one in fish culture, viz., the appointment of the officers in charge of these establishments. The service requires the very best and most reliable men that can be found as on them depends the success or failure of the season's operations.

I am very glad to say that the hon. the minister of this department has approved of a system of promotion in the fish breeding service which will, I am sure, greatly add to its efficiency.



## APPENDIX No. 3

## HOUSE OF COMMONS,

COMMITTEE, ROOM, No. 32.

THURSDAY, March 11, 1909.

The Select Standing Committee on Marine and Fisheries met at eleven o'clock a.m., the Chairman, Mr. Sinclair, presiding, and resumed the consideration of matters relating to the lobster fisheries of Canada.

Professor PRINCE recalled.

*By Mr. Maclean:*

Q. Professor Prince, you, the other day, enumerated a number of debatable questions in connection with the lobster fishery, and I think the understanding was that you were to make a written statement to-day after which we could ask questions in reference thereto. Are you ready?—A. I have prepared my views on the points which you mentioned.

Q. What is the first one?—A. I may say that my notes on the different questions are very brief—

Q. That is a very good idea—that they should be brief—after you have finished your statement on each particular point I think perhaps the members of the Committee might ask questions upon that subject before taking up the next?—A. The first point is, 'Lobster size limit.' I favour a minimum size limit because (1) if small immature lobsters are destroyed they never have a chance to spawn and keep up the supply.

*By Hon. Mr. Brodeur:*

Q. What is the minimum size again?—A. I shall come to that in a moment. Mr. Brodeur, (2) I favour a minimum size for lobsters of 9 inches and over; lobsters of that size bring more remunerative prices than the smaller lobsters. To keep up the lobster supply a 9-inch limit would be wise in the waters north of Cape Canso, and a 10-inch or 10½-inch limit south and west of Canso, N.S. The canners would, for a time, suffer as they rely on lobsters too small for the live lobster trade. The fishermen might also suffer for a time but they would pay more attention to other fisheries. If the lobster fall off much more in quantity, canneries indeed may have to close down altogether for some years, as happened in Maine. Different size limits in adjoining sections of shore are unsatisfactory and encourage violations, if small lobsters may be legally taken in some sections and not in others. Formerly all sections had large lobsters, and the decline in average size is due to persistent over fishing, not, as is sometimes claimed, to smaller races of lobsters in some sections.

*By Mr. Daniel:*

Q. I would like to ask the reason you make a smaller size north of Canso, is it that the lobsters do not grow as large in that locality as they do in the other parts around the Bay of Fundy, or what would be the reason?—A. This proposal, I might say, is almost a return to the former regulations of years ago, and the reason that I suggest a smaller size limit north of Cape Canso is as a sort of compensation to the fishermen rather than purely from the protective point of view. The fishermen north of Cape Canso would have a very much shorter season, probably six or eight weeks as compared with five or six months south of Cape Canso.

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Q. What makes the season shorter?—A. Climatic conditions prevent fishing for so long a period.

*By the Chairman:*

Q. What would you say to shortening the season north of Cape Canso?—A. With a larger size limit that, I think, would not be necessary and a season such as I recommend would enable the fishermen to send the lobsters to the markets when they bring the best prices, so that my suggestions would meet the interests of the fishermen as well as the interest of the lobsters.

*By Mr. Maclean:*

Q. Would the southern part of Cape Canso island be included in that district?—A. No, the dividing line is Chedabucto bay.

*By Mr. Kyte:*

Q. What advantage would the fishermen west of Halifax have in regard to the season over the fishermen north of Canso—what difference would it make to the fishermen north of Canso, in the length of the season, if they began fishing at the same time as the fishermen west of Canso?—A. You are speaking of the north of Canso now?

Q. No, the season south of Canso?—A. As a matter of fact north of Canso, as a rule, they cannot fish much before May.

Q. The ice leaves up there about the 1st of May and the season ends when?—A. The ice leaves in April in some cases.

Q. And the season ends when?—A. The season ends about the last of June.

Q. They have two months?—A. Yes.

Q. Fishermen in south Cape Breton have two months?—A. Six or eight weeks.

Q. And the fishermen at Canso when do they begin—that is west and south?—A. That of course varies with the weather. But it is earlier, as a rule, than further north.

The CHAIRMAN.—Canso is not the dividing line. It is Point Michaux or rather Red Point.

*By Mr. Kyte:*

Q. When do these fishermen west of Halifax begin to fish lobsters?—A. Is it the present time you refer to?

Q. Yes?—A. They begin now in December, about the middle of December.

Q. So they fish after the middle of December, how long do they usually continue the fishing operations?—A. Of course, they are interrupted by stormy weather to some extent, but they have practically between five and six months fishing.

Q. They have between five and six months fishing as compared with two months in Cape Breton?—A. Yes, but with a 10½ inch limit; of course, I suggested a 10½ inch limit in that westerly region.

Q. But what is your idea as to the practical results of the enforcement of the size limit among the fishermen of Nova Scotia?—A. I suggest in my remarks a little later on that there should be an educational campaign carried on, but really the matter rests largely with the canners; if the canners unite they can do it.

Q. Had you not better start to educate the officials? Would they not be the best ones to instruct the fishermen as to the necessity of enforcement of the regulations?

Mr. MACLEAN.—What officials do you mean, the departmental officials?

Mr. KYTE.—No, I mean the local officials.

*By Mr. Kyte:*

Q. As a matter of fact, Professor Prince, is it not your opinion that the regulation is absolutely ignored, or almost entirely ignored.

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Hon. Mr. BRODEUR.—On that point we might have the evidence, later on, of Mr. Vanning, who was sent down last year to investigate that very important question.

*By Mr. Fraser:*

Q. What is the size limit, at the present time, in the north?—A. There is an 8-inch limit, and varying open season according to the district. You see the committee is being supplied with a statement showing the exact localities where the season varies.

*By Mr. Maclean:*

Q. You have it in tabulated form, have you?—A. Yes, this was asked for (producing document).

Hon. Mr. BRODEUR.—You might put it on file, and will you please give Mr. Fraser the information here.—A. Shall I read it?

Hon. Mr. BRODEUR.—Perhaps you had better read it.—A. There are nine districts at present defined, where the size limits and the seasons vary, or are different, I should say.

## CANADIAN LOBSTER FISHING SEASONS.

Geographical District.	Fishing Season.	Size Limit.
1. St. John County .....	January 6 to June 29. ....	9 inches.
2. Bay of Fundy, bordering Kings and Annapolis counties .....	January 15 to June 30. ....	10½ inches.
3. Charlotte Co., N.B., and Digby Co., N.S. ....	January 6 to June 15. ....	9 in., except in Bay of Fundy portion of Digby Co.; there it is 10½ in.
4. Yarmouth Co., inclusive around Atlantic coast to Halifax Harbour .....	December 15 to May 31. ....	9 inches.
5. Halifax Harbour east to Red Point, Cape Breton ..	April 1 to June 30 .....	8 inches.
6. Red Point northwardly to Cape St. Lawrence, Cape Breton Island, as well as Anticosti Island and North Shore, Gulf of St. Lawrence .....	May 1 to July 31. ....	8 inches.
7. Magdalen Islands .....	April 20 to July 10 and month of September .....	8 inches.
8. From a line drawn from Chockfish River, N.B., to West Point, P.E.I., to one drawn from Indian Head, N.B., to Cape Traverse, P.E.I. ....	May 25 to August 10 .....	8 inches.
9. Remainder of Maritime Provinces bordering on Gulf of St. Lawrence and Northumberland Strait.	April 20 to July 10 .. . . .	8 inches.

*By Mr. Kyte:*

Q. The compensation that you say the fishermen in Cape Breton would have in respect of the size limit, would depend upon how strictly the regulation is enforced in the provinces as a whole?—A. Its effect would depend upon its strict enforcement.

Q. By the local officers?—A. Yes.

*By Mr. Daniel:*

Q. What is the date of that order respecting St. John county?—A. Last fall. These reasons have been amended from time to time. They were originally based upon the recommendations of the Lobster Commission, which reported in 1898.

Q. You spoke of the limit in St. John county as being 9 inches. I know until very recently it was 10½ inches there and 9 inches in Charlotte. If I caught your words correctly the limits are reversed now. That must have been a recent order?—A. The St. John county regulation is a recent change.

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Hon. Mr. BRODEUR.—The limit in Charlotte county was 9 inches and the limit in St. John county was made the same so as to agrée with Charlotte.

*By Mr. Kyte:*

Q. The fishing begins about the middle of December west of Halifax, I understand. What do you say as to giving to fishermen in eastern Nova Scotia the privilege of fishing in the middle of December in view of the fact that they are unable to pursue operations as late in the season as they do west of Halifax? What would you say as to the proposal to give the fishermen of Cape Breton a month's fishing from the middle of November say to the middle of December in lieu of the fall fishing they have in western Nova Scotia?—A. Well, there is really no objection from a strictly official point of view, but there would be strong objection by those in the business on the ground that the fall fishing disorganizes the canning business. It would be the canning that you would chiefly have reference to.

Q. Yes?—A. There is strong opposition to fall fishing in any special districts because it sends into the market canned lobsters which upset prices and the result is the prices are low.

Q. Are there any canneries operated in the western part of the province in the month of December or are the lobsters shipped fresh?—A. The canneries as a rule do not operate until later on in the spring. It is the live lobster trade that receives main attention.

*By Mr. Maclean (Lunenburg):*

Q. I do not think that is quite correct?—A. I don't think that there is much canning in December.

Mr. MACLEAN (Lunenburg)—In Lunenburg county I think they commence canning in January.

*By Mr. Turgeon:*

Q. I understand that in Gloucester, Northumberland and Gaspé the limit is 8 inches?—A. Yes.

Q. And in the straits of Northumberland farther east the limit is only 7 inches?—A. Eight inches, but the season differs.

Q. I think the best regulation we can make is to extend the size limit as much as possible. If the size limit is strictly attended we can preserve the lobsters in the future. I believe that in all these districts the size limit should be 9 inches. We might suffer for a year or two but after that we would suffer no more?—A. I think your view a very wise one. The only reason that a low limit was fixed in the straits of Northumberland was that the fishermen held the view that in that locality the lobsters were a diminutive race which from a scientific point of view is incorrect. Experienced canners, like Mr. Tidmarsh, who lives in Charlottetown, have publicly stated that lobsters were as large there as in any other locality formerly but the fishing has been so persistent that the average size was not maintained. I would add that lobster fishermen are apt to look upon the lobster industry as the only industry. They forget it is only one of many industries and that there are others as worthy of attention as the lobster industry. The tendency of the lobster fishermen is to concentrate all their efforts upon the lobster industry which, of course, is a very remunerative and ready cash industry.

*By Mr. Kyte:*

Q. You said there would be no objection to allowing the fishermen of the eastern portion of Nova Scotia to fish in the fall, but you thought the canners would not operate. That is your statement?—A. Yes, sir.

Mr. WARBURTON.—Would it not be a very serious thing to have two seasons for



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lobsters? Would the lobster fisheries not be still further depleted and would it not still further tend to their destruction?

Mr. KYTE.—You have that practice, I see, now in some parts of Nova Scotia.

Mr. WARBURTON.—I know we have, but your proposition would make it worse.

*By Mr. Maclean (Lunenburg):*

Q. The commission in 1898, found against fall fishing, did they not?—A. They reported against it.

Q. And you were unanimous about that were you not?—A. Yes, we were unanimous; the feeling seemed to be so strong.

Mr. KYTE.—But there is fall fishing, as a matter of fact, west of Halifax.

Mr. MACLEAN (Lunenburg).—But east of Halifax I am talking about. Should fall fishing be practised in Cape Breton?

Prof. PRINCE.—I doubt very much whether it would be a paying enterprise.

Q. The canners would not likely favour it, would they?—A. The canners would oppose it.

Q. The canners, you think, would be against it?—A. The established canners would be against it. The only danger would be that canning would be carried on privately, which is undesirable.

Q. The canner would have to gather his equipment and employees for a month and then disband them, would he not?—A. From a commercial standpoint, it is really undesirable.

Q. It is impracticable commercially?—A. Commercially, yes.

Mr. KYTE.—That is, you believe it is.

Mr. MACLEAN.—I don't think there is any doubt about it.

Mr. KYTE.—If the canners will not operate their factories during the fall you cannot fish.

Mr. MACLEAN (Lunenburg).—There is this objection: every man and woman in the district would be canning lobsters in any old way. These would be thrown upon the market and would injure the product of a good cannery.

A. There are two views on that matter. It is maintained by many that there are a number of soft-shelled lobsters, but as a matter of fact, one of the best authorities on the Atlantic coast has assured the department that the lobsters are in the best condition late in the fall.

*By Mr. Maclean:*

Q. In western Nova Scotia, as Mr. Kyte, pointed out, the season seems very much longer than in Eastern Nova Scotia, which is a fact, of course; but it is also a fact that for a great part of the winter months they are unable to fish, and the catch is limited by reason of the weather conditions; is that not true?—A. That is true.

Mr. KYTE.—That is true also of Eastern Cape Breton, because in the spring the ice comes in there and destroys their catch. It happened two years ago that the ice came in in the last of May and destroyed every vestige of the lobster gear on the southern coast of Cape Breton, so that the fisherman there only had a couple of weeks?—A. The canners cannot afford to pay high prices in December and January; the prices then is high for canning purposes, it is just the live lobster trade that pays then?

*By Mr. Kyte:*

Of course a business in live lobsters could be developed.

*By Mr. Fraser:*

Q. Is there any sound reason why there should be so many different seasons and so many different sizes upon our small coast line. There are practically only two

expanses of coast, one on the north and the other on the south, and we have nine different districts and nine different sizes.

Hon. Mr. BRODEUR.—Not nine different sizes, there are nine districts.

Mr. FRASER.—I would like to ask Professor Prince if there is any sound reason for such a number of divisions on such a small coast line as we have there?—A. Perhaps with the permission of the chairman I might read my note on that point which is the next I was to deal with, namely, 'Close Seasons.'

Hon. Mr. BRODEUR.—Before we pass from this item perhaps there may be some other questions.

The CHAIRMAN.—I think we had better exhaust this item before we go to another.

*By Mr. Maclean:*

Q. As I understand it the development of the lobster depends upon the temperature of the water, does it not?—A. The young lobster?

Q. The young, the growing lobster?—A. To some extent it may be hastened or retarded by variation of temperature; if it is cold they grow more slowly.

Q. I think I saw in some paper which was read by you somewhere that the temperature of the water determined pretty largely the growth of the lobster?—A. In some fisheries it is really a most important element; in cod and fishes of that kind the growth is directly affected very seriously by the temperature, but in the lobster it cannot grow much without casting its shell and the consequence is that its mode of growth is very different from that of most other animals, and while cold does materially restrict its growth it does not stop it altogether.

Q. Did the question of the temperature of the water have anything to do with the Commission of 1898, making findings as to the different divisions?—A. As chairman of Commission I may say that the sole ground on which matters of that kind were decided, was by the evidence of the fishermen. Some members of the Commission thought that the evidence was not always wise or reliable, but still that is the opinion of the fishermen.

Q. I find that most people in Lunenburg county say that the season is too long in that district?—A. There is a growing feeling, I think, in the lobster business, especially among the best business men, that a shorter season would be the right measure to adopt to protect the lobster.

*By the Chairman:*

Q. Is it your opinion that in a given number of years the lobster will develop to the same size in the colder waters of Newfoundland as it would in the bay of Fundy?—A. Practically my studies of the growth of fish have shown that low temperature retards growth, but the curious fact remains that some of the largest lobsters caught on the Atlantic coast are those which are taken on the Newfoundland and Labrador coast, and that shows that they are what are called 'deep water lobsters,' and are more independent of the difference in temperature than those that are found in shallow water.

Q. Might these large lobsters not be very old ones?—A. It may be that they are older lobsters, but in deep water their growth would not be retarded by difference in temperature as it would be in shallow water.

*By Mr. Maclean:*

Q. You are on record as saying that you only found lobsters carrying eggs when they were over seven inches long. I think you said that—I am not sure?—A. I think the point you refer to, Mr. Maclean, is this, that it has been maintained by certain American experts that the lobster does not spawn at all under nine or ten inches, and indeed it was asserted by one Canadian authority, who is a member of parliament, that the size of 10½ inches was the minimum size for a spawning lobster; yet I have in my office a lobster 7½ inches long carrying eggs.

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Q. What do you mean by that? That under  $7\frac{1}{2}$  inches you rarely find them carrying eggs?—A. Even a  $7\frac{1}{2}$ -inch lobster carrying eggs is an exception.

Q. Then how do you justify making the size limit so small in certain districts, say the Northumberland strait; is not that detrimental to the lobster business if you are going to let them take lobsters that do not carry spawn?—A. I may state that the finding of the commission was not my individual opinion, and that my own opinion would be distinctly against the use of lobsters as small as that, and the very criticism you urged against commissions the other day is, I think, justified by just such recommendations as that.

Q. Is nine inches a good limit?—A. Nine inches is considered quite a good limit.

Q. And fair all round?—A. Fair all round.

*By Mr. Turgeon:*

Q. And if you could get nine-inch lobsters it would be all right?—A. That would be all right.

*By Hon. Mr. Brodeur:*

Q. Do you not think if we were to pass regulations providing for a nine-inch limit to-day in some places the result would be that the canneries would have to close?—A. A nine-inch limit, Mr. Brodeur, would certainly close up a large number of the canneries who depend upon lobsters of even smaller size, where they have to get seven, eight and even ten lobsters to make a one-pound can.

Q. Would it not be better to begin by revising the size limit, and increasing it step by step until we have reached the nine inch, and have the regulations properly carried out?—A. That certainly would be a good suggestion, but my feeling is that the fishermen are neglecting other fisheries for the lobsters, and that therefore the curtailment of the lobster fishery would simply mean that the fishermen must attend to the other fisheries. The lobster fishery has been so profitable that it has led everybody, even farmers, to neglect their farms or business in order to take part in that fishery, and that has not been a benefit to the fisheries as a whole.

*By Mr. Maclean:*

Q. It does seem rather unfair for the Department of Fisheries to say that lobsters under  $7\frac{1}{2}$  inches do not carry spawn, and yet to permit lobsters to be killed which cannot have spawned? That does seem as though it would be destructive to the lobster, does it not?—A. It means extermination really unless you supplement it by hatcheries. In the particular locality where this small size limit was approved by the 1898 Commission, there is our oldest established hatchery, and the fishermen hold the view that that hatchery has done a good deal to keep up the supply—I mean the Pictou hatchery.

*By Mr. Kyte:*

Q. Do you agree with the statement made by a gentleman who delivered an address in Boston last fall. I think he is an American and speaking upon lobsters he said that it was injurious to the lobster fisheries to destroy the small ones rather than the large ones. Did you observe that?—A. Yes. I personally know the expert, Mr. G. W. Field, who gave that opinion and I should hope if it is possible that this committee may have the advantage of that gentleman's views stated here.

Q. That is quite a contrast with the generally accepted view?—A. It is an entirely novel view.

Mr. MACLEAN (Lunenburg).—How would you get big lobsters if you killed all the small ones?

Mr. KYTE.—I am simply saying this gentleman made the statement and based an argument on it.



*By the Chairman:*

Q. Prof. Prince, if it is true that the size limit is disregarded all along the coast and that there is no attention paid to it at all what would you say to abolishing it and putting on the screws with regard to the seed lobsters? The point I want to make is this: that if the size limit is disregarded altogether and is no good at all, would it be any harm to abolish it?

Mr. CROSBY.—It would be better to abolish it than have it in existence and not carried out.

Mr. MACLEAN (Lunenburg).—It is not disregarded altogether.

The CHAIRMAN.—I just want to know, I have heard that it is.

Prof. PRINCE.—My reply to that is, it is better to have several modes of protecting the lobster. The berried lobster is the most difficult to preserve because it is so easy to remove the berries. Therefore, if you rely solely upon the berried lobster regulation you are relying upon something that can be easily evaded by the fishermen brushing the eggs off. But a small lobster cannot be made into a big one and a small lobster regulation if enforced by the officers would be effective in preserving a large number of lobsters until they reach a more marketable size. The question of enforcement is a very serious one. Officers are divided into two classes: those who will enforce the laws if allowed to do so and those who won't. I have known officers who very earnestly have attempted to carry out the regulations and they got the support of some canners and a number of the fishermen and sometimes perhaps the support of members of parliament, but not always.

*By Mr. Jameson:*

Q. The Chairman has made reference to the berried lobster and I might say that in the county of Digby, and the Bay of Fundy and St. Mary's bay, along the coast of that country, the fishermen have adopted an almost invariable rule of handling those lobsters most tenderly and whenever they take them put them back in to the water again. It seems that a code of honour has developed amongst them because I think some time ago a pamphlet was circulated down there and the educational system, which Prof. Prince referred to a little earlier, was adopted with regard to that particular aspect of the fishery; so that to-day I do not believe there are many berried lobsters destroyed by the fishermen. But, Prof. Prince, we were referring a moment ago to the regulations which were adopted on the recommendation of this Commission of 1898. While you said that you did not personally approve of them all at that time and you now suggest some changes with respect to the size limit and the seasons, do you regard the regulations, the districts and the size limits which were then adopted as having been given a fair and reasonable trial since the time of their adoption, and do you regard the result of the fisheries to-day as being due to the enforcement of these regulations?—A. I think that they have been given to a certain extent a fair trial and that they have done some good in a great many localities. The close seasons, for instance, are observed. The gear on the whole is taken out—although of course there are some violations—when the season begins. That shows the regulations are so far effective.

Q. That is as regards the length of the season itself. Now as regards the size of the lobsters taken?—A. The size limit I am told is almost universally ignored with the exception of the very locality you spoke of with which I am well acquainted and one or two other localities, where the fishermen and the canners have a code of honour and return lobsters to the water. I can vouch for it that these districts are districts in which the lobster fishery has been maintained better than in the other localities where the size limit and the berried lobster regulations have not been well observed.

*By Mr. Crosby:*

Q. What observation is there in regard to the regulations for the restrictions of the size limit of lobsters? Is there an officer in each district to see that the limit is



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observed?—A. Each district is under an inspector who has local officers under him. I have myself, on many occasions, driven around and accompanied an inspector to the canneries and have seen him seize lobsters and fine canners for having in their possession berried lobsters and undersized lobsters in Cape Breton county. I have been myself present when the canners have been pounced upon and I understand that where the inspector is active in moving up and down the coast, infractions are far less frequent than in those districts where the officer remains at home and does not look after his duties. So it is essential, of course, to have active and efficient officers who are in earnest and to have the department and everybody supporting them and backing them up.

Q. Would it not be well if you could have that inspection made when the lobster was being brought ashore so that it could be returned to the water immediately rather than have it made in the cannery after the lobster has been boiled when it is practically destroyed? There should be some regulation so that the officer could see these lobsters when they come in in the different districts. Of course, as you know, a lobster will live for quite a time, but it would be better if it could be seen immediately after being landed and returned to the water in plenty of time to save its life?—

A. I think if all the canneries were unanimous in refusing to take berried lobsters, and undersized lobsters, the fishermen would not bring them ashore. It rests with the canner, he is to blame.

Mr. MACLEAN (Lunenburg).—The fishermen come ashore with lobsters at all hours of the day and night.

Hon. Mr. BRODEUR.—I do not think, Mr. Crosby, your suggestion would be at all possible because it would require the employment of too many people.

*By Mr. Jameson:*

Q. I was speaking to you with regard to the effects of the enforcement of these regulations following the Commission of 1898, and my friend from Halifax interposed another question. Now, in view of the fact that you say the size limit is disregarded, do you think that these regulations have been given a fair test?—A. Well I modified it by saying to a certain extent. I think those were the words I used. I said they had been given on the whole a fair chance, and I referred especially to the close season which stops the fishing after a certain date. That I think has been a great benefit. The fact that certain regulations are in force does, I think, deter fishermen to some extent. They do not do it so openly and continuously I think if they know there is a law against it, so that berried lobsters I think, would be put overboard by fishermen, and in certain localities I know they are.

Mr. MACLEAN.—In the county I represent I do not think there is any violation of the regulation with regard to berried lobsters, I fear there might be in regard to the size.

*By Mr. Jameson:*

Q. Before we get off this question, perhaps this may not appertain to your part of the department, but with regard to the lobsters that are shipped from the port of Yarmouth, do you know of any complaints having been received as to the confiscation of lobsters that have been seized in transit by the fishery officers at Yarmouth for alleged undersize?—A. I have myself been on the wharf on several occasions when the officer at Yarmouth has seized cases of lobsters and I have noticed that in some crates there was quite a large proportion of small lobsters and that in a large number of crates on the occasions I have been there the lobsters seemed to be all right and a proper size. But it is like everything else, some men will try to send through some undersized lobsters and the inspectors have made seizures and if complaints have been made about the inspector's methods I rather think myself he should be supported in such seizures as he is protecting the lobster industry and the lobsters.

Q. What disposition should be made of the lobsters that are seized under circumstances of that nature? Have any complaints reached the department with regard to

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the disposition he has from time to time made of them?—A. That is a matter which perhaps Mr. Venning might deal with. They are sold I believe. There has been a great deal of correspondence which I think Mr. Venning when called upon might deal with, especially on the question as to the disposal of lobsters that have been seized.

*By the Chairman:*

Q. Would it be possible to have a standard trap that would allow the small lobsters to escape and would retain the larger ones? And to have a regulation for the inspection of traps in the place of inspecting the lobsters? I have heard that suggested, and I want to know what you think of it?—A. I am afraid that it is not possible to devise a trap which will allow all the young ones to escape. They have a very fatal habit of clinging very firmly to the trap, and I have heard fishermen describe the methods which large lobsters adopt in trying to drive the small lobsters out of the trap, but they will not go, they cling to the slats of the trap; it is difficult even with an enlarged slat to ensure the escape of those small lobsters. The only thing is to liberate them. Dr. Field, the expert to whom Mr. Kyte referred, proposed to have an entrance of such dimensions as will not admit the large lobsters and that would be effective, if the lobster does not get in of course he is safe, but if he gets into the trap it is difficult to get him out.

Q. That is all right if we adopt the policy of preserving the large lobster?—A. If that policy were adopted of course by this method it might be carried out. But as a matter of fact the traps are being made more and more destructive. There is what is called the 'parlor' trap and the 'wheeler' trap and other traps of a destructive nature have been devised to keep every lobster in the trap, once he gets in. I have not much faith in the wide slats as a means of saving the young lobster for the reason that the young lobster once he gets in will not go out as readily as he might.

*By Mr. Maclean:*

Q. Cannot something be done to make the canner obey the law?—A. I think that is a very simple matter. If the officers are instructed to carry out the law they will do it, I think.

Q. How would it do to have an officer in each cannery?—A. That is not necessary; a patrol for enforcing the fishery regulations is better than a man continually on the spot. An officer moving up and down and the cannerymen not knowing when he may appear is a more effective method.

*By Hon. Mr. Brodeur:*

Q. The number of canneries is too large to put a man in each?—A. Yes, there are too many canneries, it is impossible to have an officer at each cannery, and even if he did remain in the cannery very long he would become very friendly with everybody and the enforcement might not be as effective.

Q. At the present time each officer has a certain number of canneries under his supervision as Mr. Maclean suggests?—A. That, Mr. Brodeur, really is the present practice. Each officer has a comparatively small number of canneries to visit, but the district inspector makes longer patrols. When I have gone there with the inspector I have found in some cases the inspector did his duty, and in others he did not. The only thing is to have officers who are really in earnest and I do not know whether I should add to that that they should not be interfered with in the performance of their duties.

*By Mr. Crosby:*

Q. Have you had canning factories reported to the department for illegal canning of lobsters, who were afterwards relieved of the penalties?—A. That I think has taken place the action of the officer has practically been annulled or undone.

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Q. Yes, when the officer made his report communication has been had with the department and the matter has been allowed to drift without any further action.

The CHAIRMAN.—Can we get along to the next point now?

Mr. JAMESON.—Just one observation I wish to make in respect to the seasons. One of the members of the committee seems to think the season in the Bay of Fundy unduly long. I wish to say that on account of the particular months in the year during which the fisheries are prosecuted in that particular district, the length of time during which the fishermen can actually carry on fishing is regulated very largely by the weather, and time after time after the traps have been set the entire gear and paraphernalia has been swept away by storms. So that the season there is very largely regulated by the weather, and the actual length of time during which fishing can be carried on is very much cut down and shortened.

Mr. KYTE.—That condition also exists in eastern Nova Scotia. Now, east of Canso we have two months, at the best, fishing, while in other parts of the province they have five or six months during which they can fish. I think that is unfair, and inasmuch as there is no objection, from a fishery point of view, to our having a fall season in eastern Nova Scotia and Cape Breton, I would certainly suggest that it be allowed.

Mr. MACLEAN (Lunenburg).—The interruption by the elements is greater from December to May than from May to the last of June, surely?

Mr. KYTE.—Not when you take into consideration the fact that two years ago every vestige of gear, practically from Gabarouse to Ariehat, was destroyed by ice on the 1st day of June.

Mr. MACLEAN (Lunenburg).—That happens two or three times during the season, practically every month, in the western portion of Nova Scotia, and then the canneries are not in operation in the fall.

Mr. KYTE.—The canneries may not be in operation, but there is a market for the live lobsters, for as we know, other fishermen ship their live lobsters to Boston in the month of November.

The CHAIRMAN.—Professor Prince has not yet reached the paragraph relating to close seasons and he is going to read it now, if you will give him an opportunity.

Mr. CROSBY.—Before we get away from that I would like to have some information brought down with regard to the reports on visits to canning factories by the officers, and whether it has been the policy of the department to carry out the regulations, or whether men have been relieved when the officers have reported. The officers of the government have reported men, so I have been informed, who have been let off without being held to the regulations. There must be some information on that point, and that can be brought down at some time.

Mr. MACLEAN.—Mr. Venning probably would have that.

Mr. CROSBY.—It is important if we are going to continue the close season that the regulations should be enforced or else strike out the regulation altogether.

Mr. MACLEAN.—There has been no violation of the close season, I think?

Mr. CROSBY.—I am speaking about the regulation with regard to size; I desire it to be understood that my remarks apply to cases where the local officers have reported to the department men who have been canning small lobsters, and where the men in question have used their influence in trying to have the law evaded.

The CHAIRMAN.—Last winter, Mr. Crosby, there was a motion passed by the House to give a return of the prosecutions for a number of years and that return has been brought down. You can refer to it and see the name of every man that was prosecuted, what he was prosecuted for, and what became of the case. That is a complete return of all cases up to some time last year.

Mr. CROSBY.—Probably that will be satisfactory.

Mr. FRASER.—Before we leave the matter of the size limit, you are well aware that the lobster fishermen are paid mostly by weight. Now, take the size limit and it is going to cause irritation and contention continually between the canner and



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the fishermen. At present in the province of Prince Edward Island, I think the Department is well aware of it, this law is more honoured in the breach than in the observance as regards the size limit. If the size limit were to be strictly enforced I think every factory in Prince Edward Island would be closed up. I feel sure it would, and I think the department is well aware of that. The way to provide a remedy is to remove the existing cause of irritation as between the fishermen and the canner. Now the traps have been brought to such a stage of perfection, as some one has said, that each contains a kitchen, a parlor and a sittingroom in which everything is caught that comes. The catch is brought to the factory where payment is made by weight. The fishermen have invested their time and money in getting ready their gear, and to draw the line too closely would be to create considerable irritation. I think the department should intervene in some way between the canner and the lobster fisherman so that this would not be a cause of conflict as regards the size. Because if a man comes in with a boat load of lobsters, he may have lobsters that are 6 inches or 8 inches, it may be some are a quarter or a half an inch under the limit. How is a man going to get down and measure every lobster. Therefore, the law will be continually broken, and it is very hard to carry out. While, as Professor Prince has said, the close season has been well observed, the same cannot be said of the size limit, and the consequence is that this infraction of the law has grown until, as I have already said, the law is more honoured in the breach than in the observance.

The CHAIRMAN.—I would suggest to the Committee that we are not making much progress. If honourable gentlemen would confine themselves to asking the officers questions it would be better. Honourable gentlemen will be given ample opportunity of discussing this question among themselves later on, but in the meantime instead of making addresses let us examine the officers and find out what they know. That would be my suggestion. Now will you please go on, Prof. Prince.

PROF. PRINCE.—I now take up the next point as to the close seasons, but before doing so I might say this: I think the observance of the close seasons has been largely due to the fact that the cannery themselves have closed down. If the cannery went on packing illegally the fishermen would go on fishing and, therefore, on the canner mainly rests the blame for infractions of the law, not on the fishermen's shoulders at all; it is the canner who is to blame. My note as to close seasons reads as follows:—

The best and most effective close season would be one universal period on the whole coast, say July 15 to January 1 following. It would make the season short for fishing in east and northern waters, but that is a step urgently pressed by many prominent men in the business. The next step is to restore the old season, viz., July 15 to January 1 north of Cape Canso, and July 1 to January 1 west and south of Cape Canso. In the latter district the live lobster trade is becoming most important, and weather permitting catches can be made early in the year. The season would be longer but a larger size limit would be enforced. In the former district the open season would be short, beginning in April or May, but a smaller size could be legally taken.

The present seven sectional seasons (and the size limits) were based on the Lobster Commission's report, 1908, and accord with prevalent opinion amongst fishermen in certain localities, but it is unwise if the lobster as a great national resource is to be improved and maintained.

A close season from July 1 to January 1 would be an immense benefit because:—First, it protects in July and August the main spawning and hatching months. Second, it protects soft shell lobsters, which are most plentiful just about that time. Third, it shortens the season, as is urged by numerous important persons in the business. Fourth, it renders enforcement of the law easier. Sectional seasons demoralize the whole system of legal protection. \*

*By Mr. Jameson:*

Q. You might just go on and explain that?—A. If small lobsters may be caught in one section and not in another, it would be difficult for the minister if a case of seizure



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of small lobsters was appealed to him to say there was not some excuse for the possession of these lobsters. It could be easily claimed, I won't say proved, and there might be some justification for the claim, that the lobsters had been caught in a district where the small lobsters were legal. So you cannot make a seizure with any certainty so long as persons can legally take small lobsters in a particular section.

*By Mr. Maclean (Lunenburg):*

Q. That would only apply to a territory in close proximity to the divisional line, would it not?—A. At St. John, N.B., a number of crates of small lobsters were seized, and it was claimed they were caught in Northumberland straits. Personally I believe they were not caught there at all, but it was most difficult to disprove the assertion of the man who shipped them.

*By Mr. Warburton:*

Q. What time of the year would that be?—A. It was in the open season; it was in July, I think.

Mr. KYTE.—The burden of proof was upon the man who had the small lobsters in his possession.

*By Mr. Jameson:*

Q. Where were they being shipped to?—A. They were being shipped to New York, if I remember aright.

*By Mr. Daniel:*

Q. They were seized in the hands of the dealer, not in the hands of the fishermen?—A. They were seized at the railway station.

Mr. DANIEL.—And they belonged to some shipper.

*By Mr. Maclean (Lunenburg):*

Q. I could not follow your remarks as you read them, but I understand you to suggest that from July to January 1 should be a close season and the balance of the year should be open?—A. Yes, that was the suggestion that I made, and it ought to be rigidly carried out.

*By the Chairman:*

Q. You made two suggestions?—A. I made two suggestions. One was a universal close season and one size limit, and the other two seasons with two size limits as was the early policy of the department for a great many years. I think Mr. Venning will agree with me that was on the whole a very satisfactory policy, the system of two seasons and two size limits.

*By Mr. Jameson:*

Q. Would that affect the market in regard to the export of lobsters? The seasons of course, overlap to some degree at the present time but they are extended, are they not, over a longer period than they would be under that regulation? Would not the result be that you would have all the lobster fishermen engaged in fishing, and as many of them as could would be selling and exporting their catch at the same time? Would not that prejudicially affect the market and produce a lowering of the prices?—A. I think not, Mr. Jameson, I think it would mean that present conditions would continue in western Nova Scotia, practically the present conditions, and there would be favourable days for shipment from Cape Breton and other localities which would not do any very great harm. But when the close season did begin it would be rigorously enforced, and that I believe would be the most beneficial result. The next point is with regard to 'berried lobsters.' It is universally agreed that berried lobsters must

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be protected. The lobster supply cannot fail if berried lobsters are allowed to hatch their young, yet canners openly use them and encourage the men to bring everything to the canneries to make a big pack. At the high prices for canned lobsters in recent years few canners care about anything but making the largest pack possible each season. A few canners look to the future and discourage the destruction of berried lobsters, but other canners will take what the more judicious canners refuse. Good might follow, if the department seriously conferred with all the canners to secure the return to the water of berried lobsters, if the canners would not handle them that would be done in other words an educational campaign among the canners would I think be beneficial.

*By Mr. Kyle:*

Q. These canners must pay a license?—A. Yes, they pay a license.

Q. It appears to me that when they pay a license you could control their action very successfully. And if a man persistently took berried lobsters in violation of the law it should be considered an offence which would justify the cancellation of his license.

Mr. MACLEAN—Give them something stiff as a penalty.

The CHAIRMAN—The cancellation of the license is pretty stiff.

Hon. Mr. BRODEUR—That will be stiff enough.

The CHAIRMAN—It will be effective.

Mr. MACLEAN—Cancellation of the license is too easy.

A. Closely connected with this question of 'berried lobsters' is that of the 'export of berried lobsters.' Enormous quantities of berried lobsters have been collected by United States smacks and transported to Maine and Massachusetts where they were impounded, their eggs hatched or removed to supply the United States hatcheries and the United States waters have been replenished at the expense of our lobster supply. The 1898 Commission called attention to this, and the International Commission now at work is understood to favour the rigorous enforcement of an export prohibition of egg or berried lobsters. That export has been a serious drain on our lobster fishery.

*By Mr. Daniel:*

Q. Will the professor give us the action taken by the United States authorities for the preservation of their lobsters and whether the laws that are promulgated and enacted in the States, I presume in the different states of the union, are really enforced and put into practice, or whether they are, like ours, allowed to fall into disuse. If the professor had any evidence or any knowledge on that matter I think it would be useful if he would give it here so that we can see whether there is any difference in the two countries; whether the laws of the United States are carried out any better than those in Canada with regard to the size limits and the close seasons, or in regard to the berried lobsters, anything of that kind?—A. I might say in reply to that that at the present moment the laws are pretty well enforced in Maine, Massachusetts, and New York State.

*By Mr. Maclean:*

Q. But they have no canneries there?—A. But they have no canning industry existing to any extent. Formerly I can personally vouch their laws were not enforced. I was down on the Maine shore more than once and in what was called the close season their law was not enforced, but in recent years there has been a determined effort to preserve the lobster industry, and I think that the size limit is pretty well observed at present and any lobsters, especially those coming from Canada to Massachusetts or Maine which were under their size limit would be dumped into the water.

Mr. MACLEAN—Where the consumption is of fresh lobsters it is much easier to enforce the law. The whole trouble arises through the canning industry.

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*By Mr. Daniel:*

Q. If the whole trouble arises in the canneries the remedy is right in our own hands. It appears to me it would be a very simple matter to carry out the law regarding the canneries by having a man there to inspect them as long as necessary, and, as suggested, to take away their license if they do not obey the law. It seems to me it ought to be very much easier to carry out the law where the whole trouble exists in the canneries, than it would be where it has to be carried out by looking after the fishermen?—A. The first point is what the law should be that we propose to carry out.

Mr. CROSBY.—You have a law now.

Mr. DANIEL.—Carry out the laws you have now.

Hon. Mr. BRODEUR.—I think that to do so would in some cases be a very serious hardship in respect to the canneries.

Mr. DANIEL.—Then your law must be wrong, have the laws right. The law should be enforced and if it is not a right law let it be repealed.

*By the Chairman:*

Q. You stated that you were opposed to the exportation of berried lobsters; is that done now, or if it is done, is it not illegal?—A. It is illegal by the present law, yes.

Q. You cannot export berried lobsters now unless you break the law?—A. Not unless you break the law by taking and possessing them.

Q. Do you know that it is done?—A. The method under which it is done is that smacks come along the shore and collect them and take them away without ever coming ashore.

Q. Taking them away to the United States?—A. Yes.

*By Hon. Mr. Brodeur:*

Q. Are these American vessels?—A. American vessels.

Q. Do they come within the three-mile limit?—A. It is largely within the three-mile limit that is done.

*By the Chairman:*

Q. You have no information as to what extent that prevails, I suppose?—A. No, I could not say that, but I can say that a number of vessels are doing it.

Mr. CROSBY.—Is there not an opportunity to confiscate all these vessels if they are within the three-mile limit?

*By Hon. Mr. Brodeur:*

Q. But supposing they do not fish within the three-mile, suppose they simply purchase the lobsters.

Mr. CROSBY.—If they purchase the lobsters it would be all right.

Hon. Mr. BRODEUR.—I do not think they fish within the three-mile limit.

The CHAIRMAN.—Having the berried lobsters in possession is, I think, an offence.

Mr. MACLEAN.—Is there not a law imposing a penalty for having possession of berried lobsters? We should have a stiff penalty as against the canners. I do not mean a money penalty, but imprisonment and confiscation of the license. Why should such a law not be enacted under which a canner should go to jail for violation of the law? By doing that you would be getting at the man who is responsible for the whole trouble?—A. I may say that this matter of the export of berried lobsters will probably be effectively dealt with if we have an international understanding which I refer to in my notes here. The International Commission have already publicly announced that some international arrangement with regard to prohibiting the exportation of berried lobsters from, and their importation into, the United States would be adopted.



*By Mr. Daniel:*

Q. In the United States what are the laws in regard to the sale of berried lobsters on the market, do you know?—A. I think the conditions differ in different states. For instance, in New York State I don't think there is any such regulation. I think in Massachusetts they have a law, but in Maine there is a provision that a fisherman is not liable for taking or possessing berried lobsters if he is to liberate them.

*By the Chairman:*

Q. What becomes of the berried lobsters that are exported?—A. They are kept in pounds there until the price rises. They are bought cheaply in Canada and then sold in the United States markets when the prices are very high.

Q. They are not purchased by the United States government for breeding purposes?—A. No. I understand the United States government officers have got supplies of spawn at times to supply their hatcheries, but that has been done after the lobsters have reached their destination. The next point I proposed to deal with was the limitation of licenses.

The sole object of a Dominion license is control or restriction. Revenue has never been aimed at, hence the fees are low. The licensee has a right to expect protection and some advantage, and the department ensures this by preventing overcrowding of licensed canneries and by refusing new licenses where the inspector and local officer report that the industry will not safely stand more exploitation. The only alternative is free canning and free fishing as in the United States with, as a rule, the ruin of the fishery concerned as a sure and certain result. Our lobsters and fish generally have maintained a better condition, have been more plentiful, owing to our restricted and preservative policy. An increased number of cannery licenses would mean:—

- (a) Increased demand for lobsters to keep up the pack of the increased number of canneries.
- (b) Greater destruction of small immature lobsters.
- (c) Vastly increased traps and gear, and frantic efforts to take every lobster and spare none, in order to meet the new cannery demands.
- (d) An increase in badly packed goods by small packers without capital. The bad repute of canned lobsters was due to small packers to whom a few dollars in cash is more important than trade reputation for a good quality of pack.

*By Mr. Warburton:*

Q. Are not the small packers in the hands of large concerns who give them supplies and buy their pack from them?—A. That is very generally the case, but still there are a large number of small packers, mostly on the New Brunswick shore, who usually take a couple of hundred or perhaps a hundred cases. Now I go on to say in regard to canning licenses to foreign firms.

‘I have officially, some years ago, recommended that in view of the number of resident Canadians applying for licenses, applications should be refused in all cases, where an alien firm was known to be mainly or solely interested, but the minister at the time (1898) did not favour my suggested refusals. It is an anomaly that Canadians should be refused while packing licenses issue year after year to canneries really owned and run by alien firms. The local officers are fully aware of these cases yet they recommend them. This would not occur if bona fide Canadians only were entitled to licenses. There is no complaint against such United States firms as the Portland Packing Company or Burnham and Morrell, but the lobster business is a paying one and alien capital and enterprise are not essential, and our own applicants have first claim in my opinion. Alien firms have amassed wealth out of our lobsters while the Canadian fishermen reap little benefit and usually remain poor. The amount of gear, *i.e.*, perhaps, should be limited, hence a lobster fishing permit



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should be required at a nominal fee. Only bona fide fishermen would be recommended by the local officers who would not be crowded out by visitors from the United States, schoolmasters and store-keepers as now. Anybody goes into lobster fishing at the present time, but a lobster permit would ensure that privilege to a fisherman who should be recommended by the local officer. Some localities are simply a network of overlapping, entangled lobster gear, and disputes and quarrels occur, while the lobsters are being exterminated by this excessive fishing season after season.'

*By the Chairman:*

Q. Where does that take place?—A. Well, the Straits of Northumberland are just a network of lobster gear.

Q. But where do these intruders come in and fish, these school-masters and store-keepers, and others?—A. They are probably American visitors who have come over just to spend the summer.

Q. Where does that state of affairs prevail? I never heard of it in any place I have been on the coast?—A. It is a very common thing.

Q. You urge that as a reason why the ordinary fishermen should have to obtain a license, the fishermen do not get the fishing themselves but storekeepers, blacksmiths and other people are taking it out of their hands. That is the idea I got from your statement?—A. Yes. Along the coast of Prince Edward Island and the shores of New Brunswick we find that lobster trapping is carried on by everybody that can get into it and they are neglecting everything else. Farmers are leaving their farms and schoolmasters when their holidays come are going into lobster fishing. But, I think, that in the interest of the general fishermen that kind of thing should be stopped. I have known United States citizens staying on the Gaspé coast for the summer who got lobster traps went out fishing and sold their catches of lobsters to canneries.

Q. Do you control the transfer of a license from one man to another in any way?—A. Yes.

Q. If you made a rule that a foreigner could not get canning licenses would he not get a Canadian to take one out and then transfer it to him? Do you control the transfer of licenses at all?—A. Yes, it rests with the Minister of Marine and Fisheries. No transfer can take place without the matter being brought before the minister.

Mr. MACLEAN (Lunenburg).—You would have to provide against that.

Mr. CROSBY.—They are very particular about that. There are only a few people that get licenses now. As I understand it, Mr. Chairman, a few years ago a law was passed that within three years from that date nobody would be able to obtain a license but the people then in possession of them. That time is up now. I understand that a great many large firms secured a license. One man who has held a license for years rented his premises and then took a license out for that. Just as soon as the time limit expired, however, the place was closed up and this man who owned a lobster factory and held a license perhaps for years previously is now unable to get one; he is shut out from being able to get a license on account of the law. I don't know whether any change has since been made in the law but I understand that is the case. There are quite a number of men in the province of Nova Scotia, and perhaps in other parts of the country, who have held licenses in the past and have rented their factories to other men who took out a license in the meantime, but the time limit having expired those licenses cannot be renewed. I think that is the case.

Mr. MACLEAN.—The licenses are not assignable to-day are they?—A. No.

*By Mr. Kyte:*

Q. How many licenses can you say, from memory, have been issued in Nova Scotia, within the last five years? None at all?—A. Very few, there might be a few.

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*By Mr. Crosby:*

Q. None at all?—A. Not for three years except that there were some co-operative licenses.

*By Mr. Maclean.*

Q. Have you that statement prepared showing the number of canning licenses in each county?—A. Yes, the statement is ready for the committee.

Hon. Mr. BRODEUR.—You might put that statement on the record now.

(Statement filed as follows):

STATEMENT of Lobster Canneries Licensed in the different Provinces during the Season of 1908, shown by counties.

	Canneries.	Total.
Nova Scotia—		
County of Antigonish.. . . .	6	
Cape Breton.. . . .	14	
Colchester .. . . .	2	
Cumberland.. . . .	38	
Digby.. . . .	7	
Guysborough.. . . .	30	
Halifax.. . . .	21	
Inverness.. . . .	18	
Lunenburg.. . . .	7	
Pictou .. . . .	21	
Queens.. . . .	7	
Richmond.. . . .	11	
Shelburne.. . . .	24	
Victoria.. . . .	16	
Yarmouth.. . . .	14	
	—	236
New Brunswick—		
County of Charlotte.. . . .	4	
Gloucester.. . . .	66	
Kent.. . . .	47	
Northumberland.. . . .	12	
Restigouche.. . . .	2	
Westmoreland.. . . .	59	
	—	190
Prince Edward Island—		
County of Kings.. . . .	54	
Prince.. . . .	94	
Queens.. . . .	55	
	—	203
Quebec—		
County of Bonaventure.. . . .	11	
Gaspé.. . . .	63	
Gulf Division.. . . .	20	
	—	94
Total.. . . .		723

A. With respect to foreign firms it is not only known to local officers, but to myself, that certain canneries are operated by foreign firms. There will be no difficulty in saying to those men, 'You cannot operate that canning factory any more, it must be operated by Canadians.'

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*By Mr. Kyte:*

Q. That will be a serious step. Would you recommend that no license be issued to these American firms in future?—A. I would do it—exactly as they do in the States—

Mr. MACLEAN.—I would not give it to them on any account.

*By Mr. Kyte:*

Q. It will interfere very seriously with the business operations there?—A. They do not allow us to go over there and pack.

The CHAIRMAN.—That would mean confiscation pure and simple.

Mr. KYTE.—I think so, too.

Mr. CHISHOLM (Inverness).—I think it would be an imprudent thing to turn these people out. It would amount to this, that you would absolutely turn them out if you refuse them a license.

Mr. CROSBY.—You have men in Nova Scotia now who do not get canning licenses, who have been canning for years.

Mr. CHISHOLM.—That is quite true.

Mr. CROSBY.—Well, what would you do about it?

Mr. CHISHOLM.—Well, I would at least give them a year's notice that they would not get another license.

*By Mr. Maclean:*

Q. The investment in these canneries is very small, comparatively speaking?—A. That is the real point. The lobster cannery is not like a salmon cannery in British Columbia with \$50,000 to \$70,000 invested; it is a small affair, and to a firm like the Portland Packing Company even loss of canneries would not be ruinous to them. They would still be able to buy lobsters from Canadian canners and carry on their business in Portland.

The next question is that of 'Hatcheries.' Hatcheries are an aid, not a substitute for close seasons. Ninety-eight per cent of the eggs placed in the hatchery jars hatch out, but in the sea many enemies, eels, skulpins, &c., attack the female lobster and devour the spawn hanging from her body. Of the 500 millions of lobsters Canada plants annually a percentage cannot fail to survive in their natural surroundings where they are liberated. All cannot be devoured, but many must survive and reach the adult full-grown stages—some say 100,000 or 200,000 annually. Nature hatches on a vastly greater scale, as 70 or 80 millions of lobsters form probably the annual catch on our shores, and the canneries alone destroy it is estimated enough female lobsters to produce 150,000 millions of fry annually, allowing not more than 10,000 eggs to each. To make up that loss due to the canning of female lobsters over 1,000 large hatcheries would be necessary. Operate hatcheries but protect the breeding females and continue nature's recuperative methods, on that vast scale which is alone adequate to preserve the balance of life in the sea. The admirable rearing method devised by Prof. A. D. Mead, Brown University, is admittedly successful, the fry being reared and fed until 3 to 5 inches long, but a few thousands or even millions thus reared cannot keep up a supply sufficient to compensate for man's destruction. Hence a close season seems to me absolutely essential with hatcheries as an aid.

*By Mr. Kyte:*

Q. How many hatcheries are there in Nova Scotia?—A. There are really only two, Canso and Pictou.

*By Mr. Maclean:*

Q. And on Prince Edward Island?—A. Yes, one in Prince Edward Island and two in New Brunswick.

*By Mr. Kyte:*

Q. Has the department been looking into the question of increasing the number of hatcheries in the maritime provinces in the near future?—A. That is a part of Mr. Brodeur's scheme to improve the lobster industry.

*By Mr. Daniel:*

Q. There is a hatchery in Charlotte county, is there not?—A. No, there are some buildings there recently erected, and which may be used for testing Dr. Mead's methods.

Q. It is not in operation now?—A. No, it was only built last year.

*By Mr. Kyte:*

Q. Can you tell me where the Nova Scotia hatcheries are?—A. At Cariboo Harbour, near Pictou and Canso.

*By Hon. Mr. Brodeur:*

Q. And Baker's pound?—A. Now, I come to the lobster pound question. You will notice, gentlemen, that I distinguish between 'pounds' and 'pounds.' Lobster ponds for breeding have been urged, the intention being to place berried females in still in-shore tidal pools or inclosures until the young fry hatch out, and then feed the fry or let them be carried by the tide out to sea. This cannot succeed because the conditions are fatal. The food, temperature, light, currents, &c., are not those of the surface of the sea. Those that did not soon die, those more robust, would attack and devour the others, crowded together in the proposed ponds, as no fry are greater cannibals than lobsters newly hatched. Enemies abound in tidal pools such as mysis, the rock shrimp, sculpins, perch, cunners and shorefish.

With pounds it is different. In the Baker pound 50,000 berried lobsters, bought from the fishermen in the open season are fed for some weeks and liberated when fishing stops and the close season begins. Few die in the pound and the replacing of 50,000 breeding lobsters along the shore three or more miles off must be a substantial benefit. The cost is excessive (16½ cents per lobster) as a hatchery can plant the same quantity of fry at one-third the cost. Further, in fairness to other localities at least twenty pounds would be necessary at a cost of nearly \$200,000, and an initial cost of \$60,000 to \$100,000 for building them.

The protection of the breeding lobster by requiring them to be returned to the sea (the help of the canneries to be enlisted), is the only reliable and adequate means of maintaining the lobster supply. All other methods are too limited or too costly, but hatcheries as operated by the Dominion government are a great aid there can be no doubt. Those are my views on the several points referred to.

*By Mr. Maclean (Lunenburg):*

Q. It has been suggested to me that we do not get adequate results from our lobster hatcheries because the fry are destroyed. It has been suggested to me by Mr. Wilson that in Norway or Sweden the spawn is deposited in protected waters and that our lobster spawn should be taken to some depth of water where all the other fish had been destroyed by some explosive substance so that the lobster spawn would be there alone and would be allowed to develop. What do you think of that?—A. I think, Mr. Maclean, you refer to Captain Dannevig's, or the Norwegian, system of hatching lobsters by floating incubators. That was tried in Newfoundland and has been abandoned by the Newfoundland government as not yielding adequate results. They are now adopting the Canadian method of building hatcheries and hatching the eggs in jars and then liberating the fry in the open sea.

*By Mr. Crosby:*

Q. Could you not keep the lobster spawn in some expanse of water, such as Bedford basin for instance? Would that not be a good thing?—A. As a matter of fact



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the eggs die unless they can be aerated. The female lobster has them attached to her swimmerets and there is a circulation of water passing through them because they are kept in movement. In our Canadian hatcheries the eggs are put in jars and kept in continual movement and aerated in that way. If they are simply placed in inclosures the eggs do not get that æration.

*By Mr. Maclean (Lunenburg):*

Q. This is fry?—A. Dr. Mead's method has been the most successful of rearing them in inclosures, as I described the other day, with paddles revolving round and keeping the young lobsters moving. The young lobsters must be kept in movement or they die. More than that they are very cannibalistic and if you put some millions in an inclosure crowded together they devour each other.

Q. There is no place so situated as Bedford basin. It is a great expanse of water above the Narrows. Would that not be a good place? A. No. From a scientific standpoint the conditions there are not the conditions of the open sea.

Q. It is practically the open sea?—A. The life on which the young lobsters feed is not present there. If you took a naturalist's tow net, and dragged it along the surface of Bedford basin you would not get the bountiful minute life that you get out in the open sea.

Q. There is a great bottom there?—A. It is inshore but the inshore life is different from the open sea life and it is there that the small lobsters get their natural food. The only method of retaining them in inshore ponds has been by trying to feed them with chopped up food and scattering it in the water. It is not very easy, I am afraid, if you are not a naturalist, Mr. Crosby, to understand that in certain areas you cannot have the same life as in other areas under different conditions. The conditions may appear to be similar but the pelagic life of the open sea is entirely different from anything you could have in any harbours or basins.

*By the Chairman:*

Q. What do you say to the American plan of buying a berried lobster and releasing him, then when he is caught buying him again and again releasing him?

Mr. MACLEAN (Lunenburg)—That is the Baker system.

Q. Not the Baker system of putting him in a pond but letting him go in the open sea and taking his chance of being caught or not?—A. My only objection to all such systems is they are really too expensive. The proper way is to find the greatest results with the minimum of expense. I contend that with the hatcheries turning out, as they do, 500,000,000 of lobsters every year all these are not going to be eaten up by any means; it is a natural law that out of such a large number of lobster fry a proportion must survive, and as I stated at the last sitting of the committee if only two in a thousand of the fry survive that would keep up the present supply of lobsters. That estimate is based on a very careful inquiry and investigation by an American expert whose word I think can be relied upon.

*By Mr. Jameson:*

Q. Do you recommend the hatchery system over the system of the Baker Pound, for instance?—A. I really approve of both, but, as I have already stated, the Baker Pound to be universally adopted would be a very costly thing. I think in fairness to all localities that that system should be universally adopted if adopted at all. The Baker Pound has been an experiment and I think there is every reason to believe has been a successful one. Fifty thousand berried lobsters replaced in the sea must mean something over quite a considerable length of shore.

Q. How are the lobsters taken for the Baker Pound? Are they taken by the fishermen and sold to Mr. Baker, or caught by the fishermen and paid for by the department?—A. I do not want in any way to avoid a question of that kind, but we have a detailed report already handed in on the method adopted.

Q. Simply say yes or no in regard to the nature of it?—A. If we go into details about that it will involve——

*By Mr. Maclean (Lunenburg):*

Q. I want to ask a question that I should have asked some time ago as to the number of licenses. I will put it now. In your judgment are there too many canning licenses granted in some parts of the maritime provinces to-day?—A. My point is that the number of canneries on the coast is really too many and that the drain to supply 700 or 800 lobster-packing establishments is really too great and that a reduction in the number of canneries would be beneficial.

*By Mr. Crosby:*

Q. As a matter of fact that is your idea: to regulate the lobster fishery by dealing with the canning factories?—A. That is my idea.

*By Mr. Maclean (Lunenburg):*

Q. Have you finished the questions dealt with in your memorandum?—A. Yes, these are all the points.

Witness retired.

Mr. MACLEAN (Lunenburg).—It is just 10 minutes to 1, and as we have made no provision for the printing of the evidence, I would move that the evidence be printed from day to day.

Motion agreed to.

Mr. MACLEAN (Lunenburg).—Mr. McKenzie, a member of the committee, handed me a telegram from Mr. H. E. Baker, stating that he will be here on the 16th. If we could get Dr. Field to come here and give evidence I think it would be very interesting.

Hon. Mr. BRODEUR.—It would be very interesting for him to give the American experience on the question of lobsters. I do not know that he could give us a great deal of information. We have seen from the evidence of Prof. Prince this morning that the situation in regard to the lobster fisheries is not the same in the United States as it is with us here. With us the question relates to the canning of lobsters, and he will not be able to throw much light upon that because they do not can lobsters over there.

Mr. CURRIE (North Simcoe).—There is a report of the Dominion Fisheries Commission, Georgian bay and adjacent waters, which contains some valuable information on matters pertaining to the fisheries. I might say that the inland fisheries on the Great Lakes involve an annual income of over \$2,000,000, and I would like to have this report submitted and taken up by this committee, which could obtain any further information that is possible about it. It is in the sessional papers, No. 124,229 A, 1908, and I would move that it be referred to this committee.

The CHAIRMAN.—Is that an official report?—A. Yes, it refers to the whitefish and the method of propagation.

Hon. Mr. BRODEUR.—That is a question which has been investigated fully, and this committee is for the purpose of investigating, at present, matters relating to the lobster fishery. Of course, there was a commission appointed some years ago with regard to the lobster trade, but it seems that some new regulations will have to be made on that subject. I have no particular objection to the motion except that I would like the committee to do something practical and to dispose of the question which they have before them before taking up another.

Mr. CURRIE.—There is the same diversity of views with reference to the size of mesh of nets to be used in the Georgian Bay fishery, and I think that this committee should take the matter up.

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Hon. Mr. BRODEUR.—Of course there is a divergency of opinion upon that question, but you have the result of the investigation of the commission, and all the evidence which was available upon it. Would it be advisable for us to open up the question and go into the same evidence again?

Mr. CROSBY.—I suppose that is a matter that should come up before this committee.

Hon. Mr. BRODEUR.—All the evidence in that report is available now.

Mr. CURRIE.—It is available, but there is some further evidence that I think is necessary on these matters which this committee might obtain. There is, according to report, a divergency of opinion among the members of the commission and there is a very serious matter as to the regulations of the industry which arises out of the negotiations now proceeding in connection with the framing of the regulations by the International Commission under the recent fisheries treaty. I think it would strengthen the hands of the Dominion government in insisting on the acceptance of their point of view if some fresh evidence could be introduced as I have suggested. I might say it is not my desire to introduce anything controversial at all, but only that which will be for the benefit of the fishing industry as a whole. There is also the question of the propagation of whitefish which has been discussed very much and which has been entirely neglected; up to the present there are no hatcheries for whitefish on this side of the water, and I would like to have this matter discussed by this committee. I might say to the gentlemen coming from Nova Scotia, New Brunswick, Quebec and British Columbia that the province of Ontario has almost as large a fishery as any other province in the Dominion. There is no other province outside of British Columbia but receives a large subsidy to assist its fisheries.

The CHAIRMAN.—It was our own money we received.

Mr. CURRIE.—You get subsidies just the same. I do not wish to say, speaking as a representative of Ontario, that we object to that, but I think that in view of the fact that for many years we have acquiesced in those subsidies that the representatives of the other provinces should be willing to do everything possible to assist our fisheries, when we are not asking any aid, and when the industry involves a matter of some \$2,000,000 a year, and furnishes employment to 5,000 men, I think it is only fair for you to reciprocate and give us a fair show. I would like to have this report brought before this committee. The consideration of the matter would not take very long, there would not be very much evidence to take beyond that of Mr. Birnie, Mr. Noble, Killarney, and one or two others.

Hon. Mr. BRODEUR.—You do not intend to bring further evidence before this committee?

Mr. CURRIE.—Yes, the fisheries of Lake Erie and Lake Superior have not been touched, or Lake Ontario. As this, to my mind, is one of the most important committees that the House has appointed, I think we should go over the different points I have referred to and procure evidence on those points which the commission has not dealt with fully.

Hon. Mr. BRODEUR.—There is no objection to that, I thought that the motion referring the report to this committee would mean that we should go over all the evidence which has already been given before the commission. That evidence is available and I do not think it would be advisable to reopen that inquiry and get all the witnesses here to give us their views as they have already given them to the commission. But if it is only for the purpose of examining Professor Prince and one or two other officials with reference to their report, I would suggest that they are always available.

Mr. MACLEAN.—Before the committee arrives at a decision upon this question, I would like to say that it seems to me Mr. Currie's request is certainly a very fair one and that it should be granted. There can be no possible reason for refusing it. At our last meeting I expressed a fear that possibly the effect of the committee at the first few meetings dealing with the lobster fishery only, other members of the committee might feel that as that is purely a maritime province matter we were a bit



selfish. Personally I would like to dispel that idea, and I am quite willing to admit that the fisheries of Ontario demand as much attention as the fisheries of any other part of the Dominion. I do not, however, approve of Mr. Currie's intention of taking up matters generally in connection with the Ontario fisheries, because that means sloppy work. If we deal with generalities we can plod along for two hours daily and still not arrive at any practical results. I hope Mr. Currie will agree with me when I say that having taken up any line of inquiry we should finish it and put ourselves in a position to give, if possible, to the government and to the country conclusions that are worth something. My suggestion to Mr. Currie is that we cannot do very much this session apparently, that he will permit us to finish the lobster question, as that has been taken up and partly dealt with.

Mr. CURRIE.—I am certainly of the same idea that we should do something practical, and when I speak of dealing with the Ontario fisheries generally, the idea is that we should only take up the vital topics this session. I believe in dealing with questions, such as the lobster question, thoroughly. There can be no more important subject to deal with than the lobster question, because they have destroyed the lobster industry in the United States, and it is essential that the lobster industry should be protected and everything possible done for it as far as the maritime provinces are concerned. But the whitefish industry in the Great Lakes is virtually in the same position with regard to the Ontario fisheries as the lobster fishery is with regard to the maritime provinces, and that is why we want to take it up.

Hon. Mr. BRODEUR.—I do not think, if that is all you desire to take up, that it will take very long; it may probably be disposed of in one sitting, if you will mention to Professor Prince the points on which you would like him to prepare himself, that will shorten the proceedings very much.

Mr. TAYLOR (New Westminster).—There are some matters in connection with the British Columbia fisheries that I believe it is essential this Committee should discuss at an early date, and for that purpose I move that this Committee request that the report of the British Columbia Fisheries Commission and the appointment of the International Fisheries Commission be referred to this Committee.

Mr. MACLEAN.—What do you mean by the 'International Fisheries Commission'?

Mr. TAYLOR.—The International Fisheries Commission is engaged in making regulations which will apply to British Columbia, and it is very important that we should discuss those regulations before they are agreed to by the Commission if we are to effectively discuss them.

Hon. Mr. BRODEUR.—I am afraid that so far as those regulations are concerned, they are a matter of confidential negotiations between the American and the Canadian authorities.

Mr. TAYLOR.—We need not discuss them, but we can discuss questions regarding those matters which are to be regulated, without pretending to bring forward those regulations.

Hon. Mr. BRODEUR.—I am very much afraid we will not have time to do that, Mr. Taylor. Therefore, I would advise that any members who have representations to make should go and meet Professor Prince and discuss the matter with him. The Commissioner of Fisheries will soon have to leave for the West and no time should be lost in doing that. We are at present engaged in this Committee upon the question of the lobster trade, which will take some days. It will be followed by the consideration of the oyster question which will also take some time. Next we are to take up Mr. Currie's suggestion. Therefore, I would advise honourable members having any views to express upon the question of the international fishery regulations, to be good enough to lay them before Professor Prince. To bring the matter up here would occupy too much time and Professor Prince must leave very shortly for the West. His intention is to interview the British Columbia Government and the officers there and to consult them as to their views on the question of regulations. To bring the subject before the Committee would take too much time and these regulations have to be made within a certain period. You are aware of that?



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Mr. TAYLOR (New Westminster).—Yes, sir.

Hon. Mr. BRODEUR.—And the time is passing very rapidly.

Mr. TAYLOR (New Westminster).—Before we leave the subject I would like to say this: The fact that the regulations have to be framed so quickly makes me very desirous of discussing them in this Committee. To my mind one of the purposes of this Committee is to assist in advising Parliament as to the nature of these regulations. It is important that we should not permit international regulations to be made which will tie us up for a period of years without the closest consideration. Especially is this the case in so important a matter as the British Columbia fisheries. These fisheries are more important even than those of Nova Scotia. They stand at the head of the list of the fisheries of Canada, and to permit regulations concerning them to be disposed of without the most careful consideration at the instance of our friends across the international boundary line, would be to show ourselves derelict in our duty. I have no lack of confidence in Professor Prince. He is the best friend the fishermen of British Columbia have had, but he will be only one out of the International Commissioners and may not be the ruling power.

Hon. Mr. BRODEUR.—If Professor Prince does not agree, the regulations will not be passed. There are only two commissioners, one for the United States and one for Canada.

Mr. TAYLOR (New Westminster).—I would like to say that I would be considered derelict in my duty to my constituents if I did not have these regulations seriously considered somewhere and I think it is better to consider them here than in the House. They have got to be considered here somewhere this session before any action is taken.

Mr. CURRIE (Simcoe).—Whenever any international question arises in the United States they say at Washington they cannot get it through the Senate.

Hon. Mr. BRODEUR.—Because it is their constitution.

Mr. CURRIE (Simcoe).—Do you not think that if the Minister of Marine and Fisheries would say 'Gentlemen, our Marine and Fisheries Committee and House of Commons have got to consider these regulations' it would mean a great deal more when the Canadian representative is making a fight. I for one have no desire to make this a controversial matter. We all desire to look out for Canada and Canadian fisheries, but possibly it may do a good deal to strengthen the hands of our commissioner if we place ourselves on record in this matter.

Hon. Mr. BRODEUR.—In answer to Mr. Taylor I would again advise him to confer with Professor Prince and discuss what he has in view. Our Commissioner of Fisheries is taking a particular interest in the fisheries of British Columbia and the honourable gentleman would be welcome to come and express his views on the different questions which may be brought up under the treaty. But to raise the questions here we certainly have no time to discuss it.

Mr. TAYLOR (New Westminster).—Is not this committee appointed for the consideration of the British Columbia fisheries as much as other fisheries?

Mr. MACLEAN (Lunenburg).—This is not a treaty, Mr. Minister, it is merely a regulation.

Hon. Mr. BRODEUR.—There are regulations to be made under treaty.

Mr. MACLEAN (Lunenburg).—Under treaty but these regulations will not go into the Executive Council of the United States there to be discussed with closed doors, I do not apprehend that.

Mr. CURRIE (Simcoe).—Why they have published the first draft of the regulations and they have sent copies broadcast all over the United States. I received a copy of the American first draft and of the revision. In Canada we are making it too much a matter of secrecy. I think we had better have the regulations fought out here as well as over there. They are fighting out on the other side as far as their fishermen are concerned. They have sent copies of the proposed regulations throughout the country from the Pacific coast to Maine. We have no copies of what we propose. If our friends on the other side of the boundary line are fighting in the open I think we ought to fight in the open too.

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Hon. Mr. BRODEUR.—I do not agree with that. When negotiations are being carried on with foreign governments they should not be discussed first by parliament. I mean the questions themselves which are being made the subject of negotiations. Those questions might come up before parliament later on. In the meantime we are very willing and anxious to get the opinions of persons who wish to lay them before the government.

Mr. MACLEAN (Lunenburg).—But Mr. Currie says that in the United States they are discussing these regulations.

Hon. Mr. BRODEUR.—Oh, no.

Mr. MACLEAN (Lunenburg).—This is not a treaty, we are not talking of a treaty but of regulations.

Hon. Mr. BRODEUR.—The regulations are made under the treaty.

Mr. MACLEAN (Lunenburg).—But the treaty is passed. These regulations are made by a previous treaty.

Hon. Mr. BRODEUR.—Yes, by a previous treaty. They are being made the subject of negotiations between the United States and the Canadian Commissioners. I do not know how a draft of regulations prepared by the American Commissioner has gone abroad.

Mr. MACLEAN (Lunenburg).—To elicit views, I suppose?

Mr. CURRIE (Simcoe).—To elicit views from their fishermen.

Hon. Mr. BRODEUR.—Some secrecy has been violated, I do not know how it has been done. All that we have done ourselves has been to get confidential information upon questions of regulations.

Mr. MACLEAN (Lunenburg).—Not confidential, Mr. Minister.

Hon. Mr. BRODEUR.—It is not our intention to submit our regulations to the country when they are the subject of negotiations.

Mr. MACLEAN (Lunenburg).—Why should these regulations be confidential? Why should not your officers give all the information possible?

Hon. Mr. BRODEUR.—For this simple reason: negotiations carried on between Canada and another country must be secret for the present.

Mr. MACLEAN (Lunenburg).—I do not agree with that. When the negotiations for a treaty were in progress they were secret. That treaty has been passed and by its provisions our government appoints a man to help in the framing of international regulations. Now, the United States, I gather from Mr. Currie's statement, are eliciting views on the subject of their proposed regulations from their fishermen.

Prof. PRINCE.—Have you seen a copy, Mr. Maclean?

Mr. MACLEAN (Lunenburg).—I am just taking Mr. Currie's statement.

Prof. PRINCE.—Any copy I have seen is marked confidential. Those are the only documents existing.

Mr. TAYLOR (New Westminster).—I must press my resolution for the reference of this matter to this committee because I would certainly get into serious trouble if I spared any effort to have this matter discussed before it becomes effective. I propose to have it discussed and I think this committee is the proper place to discuss it. We can discuss the subject here with less harm to international and other interests than we can on the floor of the House. It is a matter of too great importance to the fishing interests of British Columbia to be allowed to pass without the fullest consideration. I therefore move my resolution, seconded by Mr. Middlebro.

Mr. MACLEAN (Lunenburg).—If the matters referred to are confidential, I am wrong in the view I expressed.

Hon. Mr. BRODEUR.—Certainly the negotiations which are carried out between the British Ambassador and the United States authorities are absolutely confidential. It will be the first time that I have ever seen such negotiations publicly discussed. There is no objection to receiving information respecting Canadian interests but it would be a different thing to discuss these proposed regulations before a Committee of the House or the House itself: the government would be held responsible for that.

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Mr. MACLEAN.—(Lunenburg).—Supposing I was in error in my previous statement I do not think it is fair to entrust to any one man in Canada the power of entering into a compact to establish official regulations. I do not think it is fair to the department to simply say that you are glad to listen to anybody. I think the department should go out and hear what people have got to say before Prof. Prince is empowered to enter into regulations.

Mr. MIDDLEBRO.—I have been trying for some time to get an opportunity to second the resolution of Mr. Taylor. As I understand this matter of the International Treaty the whole value of the treaty is really in the regulations. The treaty itself is not very material; the whole substance of the treaty is in the regulations. The treaty itself simply says to what waterways it shall apply. While we have every confidence in Professor Prince, it is a question whether practically the whole treaty should be left to one man. I have had a great many letters from fishermen in my county asking me what is going to be done with the regulations. They say, 'We want to know what our representative will do, what position they are taking with regard to the proposed regulations; apparently we will have no part in discussing them.' For myself I do not want to wait until the regulations have been passed and then be told that the matters have really been adjudicated upon and that there is no use in our discussing it. I have been wondering all along when the time would come that we will have an opportunity of discussing those regulations, and I think this is a good opportunity. Now, so far as the confidential aspect of the case is concerned, it is true that the copies of the proposed regulations I have seen have been marked 'Confidential.' But at the same time I am told by people in my district that the proposed American regulations were sent out last fall, and there is no doubt they have been fully discussed, and if those engaged in the industry in the United States have had an opportunity to discuss them and to come to a conclusion upon them I think we in Canada should have a similar opportunity of discussing the regulations by which we are to be governed. We might leave this matter to a small committee who will assist Professor Prince in coming to a conclusion as to what the regulations ought to be. I for one would say this, that if the proposed regulations are not in accord with what we on the Canadian side think are proper regulations,—the whole treaty consists of regulations, and as we know the enforcement of the regulations on the American side has been much more loose than it has been on our side, because they have no close season—if the regulations on the American side do not come somewhere near in effectiveness to those on our side I would say, have the treaty itself made null and void by not agreeing to the regulations.

Mr. CURRIE.—I do not want to continue the discussion of this matter except to endorse the remarks of the last speaker, but as a matter of fact these regulations have been announced.

Hon. Mr. BRODEUR.—But these regulations cannot have any force unless some legislation is passed by this parliament.

Mr. CURRIE.—Have these regulations to be passed by this parliament?

Hon. Mr. BRODEUR.—Any enforcement of these regulations can only be by legislation passed here. If the government makes bad regulations they are responsible.

Mr. CURRIE.—The matter I wish to bring out is this, that there are matters of importance to the Ontario fisheries involved in the regulations to be adopted under this treaty. These matters could be formerly discussed in this committee without any reference at all to negotiations that are pending between Professor Prince and the representative of the United States, but we could have evidence given here on certain points at issue and with that evidence and an expression of the opinion of this committee in his hands our commissioner would be much stronger than without it.

Mr. MACLEAN (Lunenburg).—As it has been explained to me, I understand that Professor Prince and the American commissioner have already gone through Canada and the United States taking evidence.

Hon. Mr. BRODEUR.—No, Mr. Bastedo.



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Mr. CURRIE.—Our position is this, that the views of no one man alone on our side should be final. The American commissioner, who is a very strong man, is getting—you may call it 'private and confidential' if you like, but he is getting the views of the fishing interests of the United States from one end of the boundary line to the other, in order that he may be armed at all points to fight his case. I claim that the government of this country, in justice to the fishermen of Canada, should take the same methods, through this committee, to arm our commissioner with similar means of protecting our interests. It is only fair to Professor Prince that it should be done. It does not matter what his views are, he is only one man; but if he has behind him the testimony and the views of many people engaged in the industry in this country I think he will be in a much stronger position. We should back him up with strong evidence to enable him to take strong grounds on the matter of these regulations. The proposed American regulations as published are simply ruinous to the Canadian fishing industry on the Great Lakes and I think the commissioner should be placed in the position of knowing that he has not only the fishermen behind him, but that both sides of the House will support him. We do not wish to entangle him in any way but simply to let him know that his views will be supported.

Professor PRINCE.—Just one point. There is absolutely no final set of international regulations to discuss. A great deal of thought has been wasted and a lot of excitement has been unnecessarily aroused by the publication of sets of regulations which as Canadian commissioner, I never thought of adopting or seriously considering. The American commissioner, I believe, has had three different sets of regulations prepared, but which of those sets he wished to stand by, I do not know, so that we cannot object to what really awaits discussion by the commission.

Mr. TAYLOR.—My motion was that the British Columbia Fisheries Commission and the report of the appointment of the International Commission be referred to this committee because incidental to the International Treaty are regulations which cover the whole question of British Columbia fisheries.

Hon. Mr. BRODEUR.—No, the British Columbia regulations cover the Fraser and Skeena rivers, which do not come at all within the limits of this commission.

Mr. TAYLOR.—The proposition of the commission is to make certain international regulations, part of which is an undertaking that similar regulations will be applied in contiguous waters of Canadian territory so that they do take the entire control of our waters.

Hon. Mr. BRODEUR.—No, the Americans do not take control of our waters. There is a very great misunderstanding with regard to these regulations. Perhaps I am responsible and must take the responsibility for the fact that a treaty has been made by which regulations are to be passed. The treaty has been negotiated by the American and the British authorities with the consent of the Canadian government. That treaty provides that some regulations have to be made by the Canadian commissioner and the American commissioner, but those regulations in order to be of any force will have to be passed by the American congress and by the Canadian parliament.

Mr. TAYLOR.—And they apply to this very year, 1909.

Hon. Mr. BRODEUR.—I am speaking of the treaty, you are speaking of the regulations.

Mr. CURRIE.—The treaty is ancient history.

Hon. Mr. BRODEUR.—No, it is not ancient history. I want to explain with reference to the regulations under the treaty. The regulations are now being made the subject of negotiation between the American and Canadian commissioners. Now it is proposed, I understand, that this committee should investigate the nature of the regulations which should be submitted by the Canadian Commissioner. I do not think it is customary that during negotiations parliament should dictate how they should be carried on; it would be a matter for which the government would be responsible.



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Mr. CURRIE (Simcoe).—It is a matter of evidence.

Hon. Mr. BRODEUR.—Taking British Columbia regulations, we had a Commission sitting two years for the purpose of collecting evidence and information and drafting regulations. Take the Georgian Bay and the North Channel and Lake Erie fisheries of Ontario, they have been made the subject of investigations. Prof. Prince will have all this information in his hands when he comes to draft these regulations.

Mr. CURRIE (North Simcoe).—Yes, but as to a good many of the proposed regulations no evidence was taken at all. There was no evidence taken as to whether the Great Lakes should be thrown open to the fishermen on both sides of the international boundary line by special regulations.

Prof. PRINCE.—The point just raised by Mr. Currie has shown how much astray all this discussion is.

Mr. CURRIE (North Simcoe).—I understand, Prof. Prince, that you are under oath, and I want to ask you a question.

Prof. PRINCE.—I am telling the truth anyway.

Mr. CURRIE (North Simcoe).—You said here a moment ago that there were no regulations discussed, did you not?

Prof. PRINCE.—I said there were no regulations to discuss, yes.

Mr. CURRIE (North Simcoe).—Now is it not a fact that you had submitted to you copies of the proposed American regulations and you were asked to make amendments to them embodying what you suggested.

Hon. Mr. BRODEUR.—I beg your pardon.

Mr. CURRIE (North Simcoe).—I don't see why the witness should make statements that are not true.

Hon. Mr. BRODEUR.—I don't think it was a proper question to put to Prof. Prince, that is a question relating to negotiations between him and the United States Commissioner.

Mr. CURRIE (North Simcoe).—Exactly, but Prof. Prince makes the statement that no regulations were discussed.

Prof. PRINCE.—No, no, I did not say that.

Mr. CURRIE (North Simcoe).—I say there were and that he has a copy of them.

Prof. PRINCE.—No, I did not say that.

Hon. Mr. BRODEUR.—I appeal to your judgment, is it advisable that we should discuss here the negotiations that are now being carried on between the United States and the Canadian Commissioners, I do not think it is.

Mr. CURRIE (North Simcoe).—I quite agree with the Minister that it is not advisable to discuss these regulations, we will assume that, but why should our Commissioner come here and make the straight, absolute statement that there are no regulations so far and that there has been no discussion.

Prof. PRINCE.—No, I did not say that, Mr. Currie.

The CHAIRMAN.—There are no regulations, until they are made.

Mr. MACLEAN (Lunenburg).—That is a technicality, don't split hairs.

Prof. PRINCE.—Let me clear the matter up by explaining what I meant when I said there were no regulations to discuss: there are three sets of American regulations—

Mr. CROSBY.—Have they all been submitted to you?

Prof. PRINCE.—And we have been discussing those.

Hon. Mr. BRODEUR.—That is how it stands.

Prof. PRINCE.—Really there are no regulations in final form to discuss, because, as a matter of fact, the very regulation to which Mr. Currie referred has never been seriously considered by me as Canadian Commissioner, and would never be agreed to that American fishermen should fish freely in our waters.

Mr. MACLEAN (Lunenburg).—I am going to move that we should adjourn, after saying a few words.

The CHAIRMAN.—Mr. Taylor's motion is before the Committee.

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Mr. TAYLOR (New Westminster).—Nova Scotia has taken up all our time for sessions. I waited for half the last session to make this motion but Mr. Maclean and one or two other gentlemen occupied the whole time. I object to the Committee being railroaded in that way.

Hon. Mr. BRODEUR.—I have no objection to this question being referred, but frankly, if you want the Committee to do some work let us be practical and go on with what we have undertaken. At present we have the lobster question under consideration and we have held two sittings of the Committee. The evidence of one officer of the department has been taken and I do not know whether his evidence is closed or not, perhaps it is. There are three or four other officers ready to give their evidence upon different points that have been raised, which will occupy our sittings during the next three weeks probably. Then I understand the Committee has determined to summon 10 or 15 outside witnesses. The question is a big one and I do not know whether we will have time to deal with it and make a good substantial report to the House before the end of the session. After the lobster question has been finished we are to take up the oyster question.

Mr. TAYLOR (New Westminster).—Why should they come up?

Hon. Mr. BRODEUR.—I am simply referring to the work we have got to do. I fully appreciate the importance of what you are proposing but do not let us undertake to do too much and do nothing. Let us undertake something that we can carry out this session.

Mr. TAYLOR (New Westminster).—The point is that next session will be too late to take up the question of the International Fishery Regulations. It must be done this session if done at all.

Hon. Mr. BRODEUR.—I do not know if we will have time to discuss them. Let me finish and I will explain to you what my views are. We have yet got to deal with the oyster question a subject which has not been investigated for many years. The lobster fisheries were investigated in 1898. Mr. Curry also proposes to investigate the Georgian Bay fisheries. I understand from him that it will only take perhaps a few hours to dispose of. He wishes to call Professor Prince in order to obtain certain information.

Mr. CURRIE (North Simcoe).—I would like to have two witnesses besides Professor Prince and Mr. Birnie.

Hon. Mr. BRODEUR.—Two witnesses upon what point?

Mr. CURRIE (North Simcoe).—Upon the propagation of whitefish, the question of the tonnage and any other matters that arise in connection with the report, for instance such as the Americans owning the channel there, but I hope to conclude in one sitting.

Hon. Mr. BRODEUR.—Yes, and if you open up an international question some other people will want to be examined. You probably have all the evidence you want on that.

Mr. CURRIE (North Simcoe).—The Lake Eries fisheries have not been touched.

Hon. Mr. BRODEUR.—Oh, yes, they have been.

Prof. PRINCE.—An interim report has been handed in which has just been completed.

Hon. Mr. BRODEUR.—I think you will have all that information in the evidence which has been already adduced.

Mr. CURRIE (North Simcoe).—I do not think so.

Hon. Mr. BRODEUR.—Well, if you are asking the committee to do something let us do it in the usual way. If you are going to reopen a question which has been thoroughly investigated during the last two years that will not give us any very great deal of information. Here is a point which Mr. Taylor has brought up in regard to the British Columbia Commission. This commission has sat for two or three years.

Mr. TAYLOR (New Westminster).—And has reported to parliament and we have not dealt with their report.

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Hon. Mr. BRODEUR—Yes, their recommendations have been dealt with.

Mr. TAYLOR (New Westminster)—Parliament has not dealt with them.

Hon. Mr. BRODEUR—Parliament has not itself discussed the question.

Mr. TAYLOR (New Westminster)—They have made a report to us and we have ignored it.

Hon. Mr. BRODEUR—What is it you want to have dealt with by this committee? The investigation is all through, the regulations have been drafted and everything has been done with regard to this commission. Now you are proposing to again refer all this report here.

Mr. TAYLOR (New Westminster)—But you are altering them now. You propose to go down to Washington and alter those very regulations.

Hon. Mr. BRODEUR—Oh, no.

Mr. TAYLOR (New Westminster)—I beg your pardon that is what they are going to do.

Hon. Mr. BRODEUR.—The regulations which have been passed mainly refer to the Fraser river, we cannot alter them. The commission has no power to alter them. The Fraser river is not submitted to the International Commission.

Mr. TAYLOR (New Westminster)—I beg your pardon it is.

Hon. Mr. BRODEUR.—Oh, no, it is not.

Mr. TAYLOR (New Westminster)—If you look it up when you go back to the department you will find that I am right.

Hon. Mr. BRODEUR—Oh, no. The International Commission is not dealing with the Fraser river fisheries, it has no right to.

Mr. MIDDLEBRO.—There was some mention made of it.

Hon. Mr. BRODEUR—Not in the treaty itself, I am sure of it. I have no objection to the proposition except that we are not doing any practical work. If you want to have a lot of matters referred to this committee without doing anything practical I am afraid we shall lose our time.

Mr. MACLEAN (Lunenburg)—I move in amendment to Mr. Taylor's motion, not to get rid of it, but so that we may take it up at the next meeting, that the committee shall now adjourn.

Mr. CROSBY.—Before the committee adjourns, I want to hand in the name of Mr. C. E. Smith, as a witness to be summoned to give evidence on the lobster question. He is not only a lobster canner but a man who has been fishing. He has had experience in lobster canning and is an expert on fresh lobsters; he can be summoned on whatever day the Chairman fixes.

Mr. TURGEON.—I move that before we commence to take the evidence of strangers we complete the evidence of the officials of this department and therefore that we meet on Monday next.

Hon. Mr. BRODEUR.—I think it a good suggestion that we should complete the evidence of the officers of the department before hearing the witnesses from outside. There seems to be some feeling against the officers of the department that they do not know much about this question, but I think when the committee have heard them from beginning to end they will realize that the officials of the department know a great deal concerning the lobster question. The idea is that Mr. Smith will be notified, as the other witnesses were, of the intention of the committee to call him and that further notification will be sent to him of the date on which he is to appear.

Mr. MACLEAN.—I move that these matters to which Mr. Currie and Mr. Taylor have referred be deferred until the next meeting and that the committee do now adjourn.

Mr. CURRIE.—The Minister, I understand, agrees to the motion for the reference of the Georgian Bay Fishery Commission report. I think the only way to bring this matter prominently before the House is to have this report referred to and discussed by this committee.

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The CHAIRMAN.—We have summoned witnesses for Tuesday the 16th, can we meet again on the 18th, we have several witnesses coming here on Tuesday from a long distance.

Hon. Mr. BRODEUR.—And we will require two days to hear the officers of the department.

The CHAIRMAN.—Is it agreed that we meet on Tuesday the 16th and Thursday the 18th inst.

Carried.

Committee adjourned.



## COMMITTEE ROOM No. 32,

## HOUSE OF COMMONS,

TUESDAY, March 16, 1909.

The Select Standing Committee on Marine and Fisheries met to-day at 11 o'clock, Mr. Sinclair, Chairman, presiding.

Hon. Mr. BRODEUR.—Mr. Baker, of Cape Breton, is present this morning as a witness. We had thought the other day of continuing the examination of the departmental officers, but as Mr. Baker has come from a long distance, I suppose it would be only fair to examine him this morning.

Mr. H. E. BAKER, called, sworn and examined.

*By Hon. Mr. Brodeur:*

Q. Would you rather make a statement?—A. No, thank you, Mr. Brodeur. I would like to answer any questions that are put to me, and I will give you any information I have on the subject.

*By Mr. Maclean (Lunenburg):*

Q. Where do you reside?—A. At Sydney, Cape Breton.

Q. How long have you been in the canning business?—A. For 26 years in Cape Breton.

Q. You are still engaged in the business?—A. Yes.

Q. Your experience has altogether been on the coast of Cape Breton island?—A. No, I have had some experience on the mainland of Nova Scotia.

Q. Are the canners of Nova Scotia satisfied with the lobster fishery regulations?—A. I think, so far as the island of Cape Breton is concerned, the regulations are very satisfactory.

Q. Your season commences when?—A. From Point Michaud east it starts on May 1 and ceases on the last of July—we have three months—and west of Point Michaud it is from April 1 until the last of June

*By Mr. Daniel:*

Q. What point is that?—A. Point Michaud, in Richmond county.

*By Mr. Maclean (Lunenburg):*

Q. What is the size limit?—A. Eight inches.

Q. Is the season long enough from your standpoint?—A. Yes.

Q. Would it be undesirable to lengthen it?—A. Very.

Q. Would it be undesirable to open the season much earlier?—A. It would be almost impossible for us to take advantage of an earlier season, inasmuch as the drift ice comes on that coast in the spring and frequently remains there until May 15 and as late as June 7 to 10.

Q. What did you say the size limit is in the Cape Breton district?—A. eight inches.

Q. When do lobsters commence to seed, Mr. Baker? We are told from the time they are  $7\frac{1}{2}$  inches in size?—A. You can get lobsters the whole year around with black seed on them.

*By Hon. Mr. Brodeur:*

Q. What is that, Mr. Baker?—A. You can get lobsters the whole year around, at all times, with black seed on them.

*By the Chairman:*

Q. Black?—A. A dark kind of seed; they are immature. The young lobster does not mature or develop until the warm weather comes in June, July and August, so that the lobster in Cape Breton hatches about August 1.

*By Mr. Maclean (Lunenburg):*

Q. Is that productive seed?—A. Yes.

Q. Prof. Prince is authority for the statement that lobsters do not carry berries or seed until after a length of  $7\frac{1}{2}$  inches is attained?—A. You will find a lobster under  $7\frac{1}{2}$  inches carrying berries.

Q. Very seldom?—A. Yes, it is exceptional.

Q. Is the protection of the seed lobster an essential thing?—A. I consider it a vital point in connection with the lobster industry.

Q. You consider it a vital thing?—A. Yes.

Q. Are lobsters ever taken in these waters under  $7\frac{1}{2}$  inches?—A. Yes.

Q. Therefore, that is an undesirable thing?—A. Well, the size limit has never been recognized, it has always been violated in every place that I have been, and I think it applies almost universally to Nova Scotia. I understand that in some sections there have been some attempts made to maintain the size limit, but I do not know with what result.

Q. It is undesirable and damaging, therefore, to capture a seed lobster under  $7\frac{1}{2}$  inches?—A. The number of lobsters under  $7\frac{1}{2}$  inches carrying seed is so small that you probably would not get one in 100,000 lobsters.

Q. That is a fair proportion, is it?—A. Well, I should judge so. It is very rare; you would not find more than one out of 100,000, I do not believe, under 7 inches or  $7\frac{1}{2}$  inches, carrying eggs.

Q. Under that?—A. Yes.

Q. Are female lobsters under  $7\frac{1}{2}$  inches often taken by the fishermen?—A. Yes.

Q. Well, that is undesirable, is it not, according to your opinion?—A. Undesirable?

Q. Yes?—A. Well, there has been a law which prohibits the taking of lobsters, male or female, under 8 inches, but that law is universally broken, so far as I know.

Q. Do you say a female lobster does not commence carrying seed until after it is  $7\frac{1}{2}$  inches long?—A. Yes.

Q. You also say it is to the interest of the lobster business to protect the seed lobster?—A. Yes.

Q. Therefore, am I not right in saying it is damaging to the lobster industry to destroy female lobsters under  $7\frac{1}{2}$  inches?—A. Well, it is really damaging to the lobster industry to destroy anything over  $7\frac{1}{2}$  inches, because it takes so much away from the supply.

Q. Well then, if you kill them off under  $7\frac{1}{2}$  inches they would never get to 8 or 9 inches would they?—A. No, but it would be impossible to kill them all, they cannot be caught.

Q. You would favour a regulation to protect the female lobster of any size?—A. Not the female lobster but the egg lobster.

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Q. Is there a distinction between the female and the egg lobster?—A. Quite a distinction.

Q. What is it?—A. The egg lobster carries eggs on the outside; the female lobsters probably consist of about 40 or 50 per cent of the entire catch.

Q. I see, and the female lobster is not necessarily:—A. An egg lobster? Oh, no. As a matter of fact about  $2\frac{1}{2}$  or 3 per cent—between  $2\frac{1}{2}$  and 3 per cent of the entire catch of lobsters consists of egg lobsters, that is lobsters that carry their eggs on the outside; whereas I should judge that between 40 and 50 per cent of lobsters would be female lobsters. The female lobster lays her eggs, or casts them out, at all stages of the year, so far as I can understand, but chiefly in the fall. She carries those eggs attached to little swimmerets, or little hairs in the tail, for eight or nine months, and then when the warm weather comes, those eggs mature and the young lobsters escape just as young chickens do from the shell.

*By Hon. Mr. Brodeur:*

Q. And what about the other one, the egg lobster?—A. This is the egg lobster I am referring to, Mr. Brodeur.

*By Mr. Warburton:*

Q. I understood you to say that between  $2\frac{1}{2}$  and 3 per cent of the entire catch of lobsters are egg lobsters and that between 40 and 50 per cent are females but not egg lobsters. Do you mean that that 40 or 50 per cent are barren?—A. No, each carries eggs on the inside in the shape of coral.

Q. Then they do bear eggs?—A. Yes, I presume so.

Q. They are not supposed to be barren?—A. No, not at all. All the red roe which one finds in a boiled female lobster are the lobster eggs on the inside.

*By Hon. Mr. Brodeur:*

Q. Will you please show that in the specimen lobster we have got here?—A. (Pointing to specimen) these berries are the eggs.

Q. Yes?—A. And each of these eggs, if properly taken care of, will produce a young lobster. Now the lobsters that I refer to are between  $2\frac{1}{2}$  and 3 per cent of the entire catch. That is the egg lobsters would be the lobsters like this, where the eggs can be seen on the outside. These eggs mature gradually, in fact you can notice here that they have matured to such an extent that you can see the eyes of the young lobsters through the thin film of skin on the eggs. Once they begin to mature, they mature very rapidly.

Q. And do they all carry the eggs in that shape?—A. No, sir, only about 3 per cent of the entire catch carry their eggs in that way.

Q. Three per cent?—A. Yes, 3 per cent.

Q. And the others?—A. The others, the females, have the eggs on the inside that are not hatched out.

*By Mr. Maclean (Lunenburg):*

Q. It is necessary then to protect the egg lobster is it not?—A. Yes, I consider it is vital to the future of the industry that every egg lobster possible should be protected, that is saved and taken care of.

Q. Up to what size?—A. Up to any size. Any lobster carrying eggs should be protected and saved. The great trouble is that not only in our own country but in Massachusetts and in Maine, and I understand too in Norway, there has been a systematic destruction of the egg carrying lobster so that really the industry has not had anything to sustain it. For instance, there has been a law for the last twenty-

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five or thirty years in Canada making it illegal for people to handle, or catch or destroy seed lobsters but fishermen will go to sea and in the course of a morning will probably have five or ten lobsters which may be egg lobsters. However, times are hard, money is scarce, and although they know it is illegal to catch those lobsters and that any officer on the shore will fine them if he learns of it, nevertheless they take the seed lobster and wash its tail through the water two or three times and thus every one of these eggs is washed off and destroyed.

Q. Will the canners buy them?—A. The canners will buy them because they come in with other lobsters caught under legal conditions, and I do not suppose there is one canner out of twenty knows when a lobster has been washed in that way.

*By Hon. Mr. Brodeur:*

Q. He could not distinguish then between the berried lobster and the other?—A. When washed it is most difficult to notice the distinction.

*By the Chairman:*

Q. And is the meat good?—A. Yes, the meat is good.

*By Hon. Mr. Brodeur:*

Q. Would it be possible to wash out all these eggs without a certain quantity being left?—A. In less than a minute, particularly when the eggs have ripened. It is done by a quick wash through the water. In the United States, I understand, some resort to an ordinary scrubbing brush. They take the brush and rub it over the tail of the lobster in that way (illustrating by a motion of the hand) and wash off the eggs.

Q. Do you think the law is much violated, I mean the regulation providing that berried lobsters when caught should be returned to the water? Is that regulation violated to a large extent?—A. I think it has been almost universally violated in Canada but now, within the last year or two, I understand the fishermen themselves are beginning to recognize the necessity for saving the seed lobster and that in many districts they voluntarily return them to the water. That is to say some of them do, others again who are not so favourable to the observance of the law will continue to wash them off.

Q. Is there any way by which we could prevent this violation? By what you tell me it is done by the fishermen on the shore without the knowledge of anybody else?—A. It is done at sea when there are no officers around, when it is impossible to detect who does it or how it is done.

*By Mr. Daniel:*

Q. Do those seed berries develop into lobsters?—A. Yes, I understand about 90 per cent of these berries will hatch out into lobsters; in fact I am told they have got as high as 95 per cent, but that I do not know for sure by hatcheries.

Q. Supposing the berries are washed off the lobster by fishermen in the way you describe and dropped into the sea, what is to prevent them from maturing and becoming lobsters?—A. I do not know, unless by reason of the concussion by switching the tail through the water the berries all die, are broken and the embryo destroyed.

*By Mr. Maclean (Lunenburg):*

Q. They have to come off in the natural order of things in order to live?—A. No, they do not come off in the natural order of things. The young lobster bursts its way through the thin skin and leaves the egg, the broken part of the egg, attached to the mother's tail.



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Q. Then they would have to reach a certain stage in hatching before they would live after having been torn off by the fisherman?—A. I presume so.

*By the Chairman:*

Q. Mr. Baker, do these female lobsters that you spoke about with the eggs inside all become berried lobsters?—A. I cannot say whether they all do or not but I presume the most of them do.

Q. And what length of time does it take for them to become berried lobsters?—A. For instance the lobster carrying this ova or this roe as we call it will probably hatch it out during the months of July and August—

Q. Each year?—A. July and August and probably later on. I don't think there is any specific time, I am not certain on that point.

*By Hon. Mr. Brodeur:*

Q. When you speak of July and August you are referring to your own section of country?—A. Yes, sir.

Q. You don't say they are hatching at the same period in the western part of Nova Scotia?—A. No, the period there would differ from ours or rather I presume it would.

*By Mr. Maclean (Lunenburg):*

Q. Is the size limit in your district satisfactory?—A. Well it has never been observed to any extent and if the size limit were reduced to 7 inches I think—

*By Hon. Mr. Brodeur:*

Q. To 7 inches?—A. To 7 inches I think possibly there would probably be a stronger effort made on the part of the fisherman to observe it.

Q. Do you not think, Mr. Baker, it would be a most serious thing because by what you have just told us the berried lobsters are generally 8 inches and more in size—do you think that if we allow 7-inch lobsters to be caught it would mean the destruction of the lobsters?—A. Well, all the lobsters that have been taken by the fishermen as a rule have been destroyed, that is to say the size limit has not been observed.

*By the Chairman:*

Q. Do you think it would be better to abolish it?—A. To abolish the size limit?

Q. Yes?—A. Well—

Q. And save the seed lobster?—A. Yes, I do. I think that—

Q. Allow the fishermen to catch everything they can catch but put on the screws?—A. With the seed lobsters. I consider that the saving of the seed lobster is absolutely essential to the future of the lobster industry, and I consider too that something should be done, some measure should be adopted, that will ensure this thing being carried out. If I might be permitted to make a suggestion: it has occurred to me that instead of taxing the lobster packers 2 cents a case, if they were taxed about 25 cents a case for the license it would give the department probably \$40,000 a year which sum could be devoted to buying seed lobsters from the fishermen and thus make that part of the industry to a certain extent self-sustaining.

Q. And releasing the seed lobsters again?—A. Yes, and releasing them again. For instance if the government were to establish a number of lobster pounds along the coast and each packer pays 25 cents for the lobsters that he packs under license, the department would receive probably \$40,000 a year from that source. This \$40,000 a year would buy a very large number of seed lobsters from the fishermen which lobsters could go into the pounds and be liberated along the coast for the benefit of the future of the lobster fishery.

Q. How would that tax affect the fishermen?—A. How would it affect the fishermen?

Q. Yes?—A. Why the fishermen would probably be getting about 50 per cent more for their seed lobsters than they do when these lobsters are destroyed and sent into the canneries and boiled with the ordinary kinds.

Q. Could the packer not shift the tax onto the fishermen and make him pay it by lessening the price of his catch?—A. Well, I suppose the packer would figure on that as an item in his business just as he now figures on the 2 cents a case.

Q. You think it would not come out of the packer then if we levied this tax of 25 cents a case?—A. No, it would not come out of the packer any more than does the 2 cents a case come out of him now. He pays it now, it is true, but he figures on that as one of the fixed expenses of his business.

*By Hon. Mr. Brodeur:*

Q. It is a small item?—A. Yes, sir.

*By the Chairman:*

Q. What is the value of a case of lobsters in the market at the present time?—A. About \$3 less a case than last year, I understand.

Q. And what is the price of a case of lobsters?—A. The highest point? Half flats—there are different shapes you know—are worth about \$12 a case in Halifax now, f.o.b. Halifax. One pound flats are probably about \$11.50. I know that they are being offered in the United States at \$1.85 a dozen for half-flats.

*By Hon. Mr. Brodeur:*

Q. Well now, Mr. Baker, coming to the relative merits of lobster pounds and lobster hatcheries for propagation, would you be kind enough to give to the Committee your views as to these which is best, the lobster pounds or hatcheries, and if the former in what condition lobster pounds should be maintained, or whether it would be better to have lobster hatcheries?—A. My own opinion is that the lobster pound is by far the better method inasmuch as the female lobster with eggs attached is inclosed in natural environment. At the end of the season she is liberated with those eggs attached to hatch those eggs in a natural way. There is no sudden change of temperature. I understand the temperature is a very vital thing, a very important factor in the existence of a young lobster. I also understand that when a great many millions of young lobsters are taken from the artificial hatcheries—

Q. Where does the female lobster go to hatch her eggs?—A. The female lobster goes into the shore to get the warm temperature to develop her eggs and then I understand she goes into the deep water to hatch them.

Q. To the deep water?—A. Yes, to the deep water I understand.

Q. So you think a lobster pound is better than a lobster hatchery?—A. I feel sure of it.

*By Mr. Maclean (Lunenburg):*

Q. You don't seem to say that a lobster hatchery is not any good?—A. No, I certainly do not.

Q. You think it would be well to have both?—A. Yes, but I think the natural method is far beyond the artificial method.

Q. At what size can you distinguish the seed lobster from the other lobster? At five or 6 inches is it hard to tell whether a lobster is an egg lobster or a female?—A. I have never seen females with eggs at 5 or 6 inches.

Q. Supposing a female lobster is 6 inches long and no eggs are visible, is it difficult to tell that it is a female lobster?—A. No, you can distinguish the sex at a glance.

Q. You can?—A. Yes.

Q. Can fishermen generally?—A. Yes, without any difficulty.

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Q. If you reduce the size to 7 inches would you not be encouraging the destruction of the female lobster before it reaches the age where it is easily distinguishable as a berried lobster?—A. They are destroyed now almost about that size, some about 4 inches in size I understand in some places.

Q Well, what do you say about that, do you think it is a good thing?—A. No, it is not a good thing if one can prevent it. The size limit has been universally disregarded not only in this country but even in the United States where they have been trying to maintain a 10½-inch limit, particularly in Maine. The fishermen find a way of getting a market for their short lobsters.

*By the Chairman:*

Q. What do you think of the American system of saving the large lobsters and catching the smaller ones?—A. That is the idea of Dr. Field, the Chairman of the Massachusetts Commission of Fisheries. His idea is to save all lobsters over 10 inches. I think it is, or 10½ inches, and to catch the remaining sizes from 9 inches to 10½. That if adopted on our Nova Scotia coast would practically close our canneries because at least 60 per cent of our catches now are under 9 inches.

*By Mr. Maclean (Lunenburg):*

Q. What proportion of your present catch is under 7 inches?—A. About 25 or 30 per cent.

Q. If the law was observed you would be out of the lobster business?—A. Yes, I don't think that any lobster cannery in the island of Cape Breton could continue packing lobsters and observe the law regarding size limit.

*By Hon. Mr. Brodeur:*

Q. That is because there are not enough lobsters I suppose?—A. That is it, Mr. Brodeur.

*By Mr. Maclean (Lunenburg):*

Q. Do you favour the violation of the law in order to carry on the cannery business?—A. No, but I maintain that inasmuch as the law in regard to short lobsters, undersized lobsters, has never been observed, inasmuch as it is generally conceded that to enforce the law would wipe out of existence a very valuable industry, I do think that a compromise should be made that will enable the fishermen to get the small lobsters providing some arrangements were adopted for the saving of the mother lobster which I maintain is vital for the well being of the industry.

*By Mr. Warburton:*

Q. Then you would do away with the size limit altogether?—A. It is practically done away with now, sir.

Q. I mean you would do away with the regulation?—A. Yes.

*By Mr. Maclean (Lunenburg):*

Q. You realize that it would be difficult to enforce the regulation protecting the mother lobster if you abolish the size limit?—A. It would be a very popular thing inasmuch as the fishermen instead of having to take that seed lobster and wash its eggs off, would be paid a premium of about 50 per cent for keeping it in good condition.

Q. That means you would have to pay men to observe the law?—A. Yes.

Q. Do you think that is good business to do a thing like that, on principle?—A. It is done in everything is it not?



Q. To pay a man to refrain from violating the law and let him profit by the violation?—A. No, but it is frequently necessary to expend a large amount of money in order to compel a law to be observed. In this case it is absolutely impossible to compel the law to be observed but if an inducement were given in the shape of buying these seed lobsters such as is done in the United States, the seed lobsters would be saved. They have adopted that practice all over the United States now: the government buy the seed lobsters and pay a good price for them and get them for hatching purposes.

Q. The government does?—A. Yes, sir.

*By the Chairman:*

Q. Do they release the good lobsters afterwards?—A. They hatch large quantities of eggs artificially and then they take the young lobster and put it in a large canvas bag, or large quantities of them into water kept in perpetual motion and develop them to the third or fourth stages and then when they are able to take care of themselves they let them go. These are experiments that have been conducted in the last two or three years.

Q. How would it do to buy the berried lobster and then take him two or three miles to sea and drop him in again and have no pounds?—A. Well, that would be a very good thing with the exception that the chances are—the natural tendency of the seed lobster is to work towards the shore to get the warm temperature, and the chances are those lobsters would be caught over again many times during the season.

*By Mr. Warburton:*

Q. Is the canvas bag arrangement you spoke of in general practice or is it simply an experiment?—A. It is an experiment which has been made in Connecticut.

Q. It has not passed the experimental stage yet?—A. They have succeeded I understand in hatching and developing several millions.

*By Mr. Daniel:*

Q. Mr. Baker, you said there was practically no attempt to obey the law with regard to the size limit?—A. Not in our part of the country I don't think there has been. We have tried it once or twice and we have found it unpopular and I don't think—

Q. How did you try it, in what way, what efforts were made?—A. We have simply said we would not take lobsters under eight inches.

Q. The cannery would not?—A. And we carried it out once or twice, but we found that those who do attempt to carry it out are simply thwarted by those who will not. As a matter of fact the law is universally unpopular with fishermen and with packers.

Q. How was the law carried out, what does the department do to carry out the law, anything?—A. I beg your pardon?

Q. What does the Department of Marine and Fisheries do to carry out the law?—A. The Department of Marine and Fisheries is putting forth every effort to preserve the supply. They have their officers—

Q. What officers are there in your district?—A. We have an official inspector and a local officer in each district.

Q. Do these officers visit your cannery?—A. Yes.

Q. How often?—A. Well, they come irregularly.

Q. Irregularly. Do they ever find short lobsters in your cannery?—A. Yes, they have found short lobsters in my cannery because I have been fined more than once for having them.

Q. More than once?—A. Yes.



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Q. As a matter of fact would there not always be short lobsters in your cannery when these officers come around?—A. No, not always.

Q. Not always?—A. No.

Q. Do these officers visit all the canneries?—A. Yes.

Q. Do they ever report any one for having short lobsters?—A. Frequently.

Q. Are the men reported punished or fined in any way?—A. Yes.

Q. What is the amount of the fine?—A. It varies.

Q. From what?—A. Sometimes \$10, \$15 and \$20.

Q. Do they report these people more than once in a season or do they let it go with one report?—A. I think there have been occasions of two violations in one year.

Q. Are these fines always collected?—A. Yes, I think so.

Q. Were your fines collected?—A. Yes.

Q. How much have you paid altogether in fines as far as you can remember?—A. I cannot tell you. I know that on one occasion when Sir Hibbert Tupper was Minister of Marine and Fisheries, I was fined \$60.

Q. In one season?—A. For fishing one day over the season. And the fine was subsequently repaid to me because I brought forth evidence to show that it was impossible to get the traps in on that day. I have been fined since that \$8, \$10 and I think on one occasion \$15.

Q. For having small lobsters?—A. Yes.

Q. Well now, Mr. Baker, do you not think, as far as the size limit is concerned, that if the law was strictly carried out with regard to the canneries, that the size limit regulation would be observed—that it would not help the fishermen having to dispose of lobsters to the canners if the latter were prevented by the enforcement of the law from receiving lobsters under eight inches? Do you not think that that would put a stop to it?—A. Well, I am afraid it would put a stop to the industry.

Q. Do you not think it would put a stop to the catching of undersized lobsters if we were to prevent the canner from buying them?—A. Why certainly the fisherman would have no market for them.

Q. Then as far as that is concerned it would be an absolutely perfect way of stopping the catch of undersized lobsters?—A. I think so, that is to say if I understand you correctly, if you adopt some measure that will prevent the packer, absolutely prevent him, from handling undersized lobsters I think that would stop the trouble because the fisherman would have no market for the small lobster. But I think at the same time it would put the industry out of business.

Q. That is another question. Why do you not now go out of business?—A. Because these lobsters consist of about 30 or 40 per cent of the catch and are now taken.

Q. That is the undersized lobsters?—A. Yes, and if you legislate the fishermen out of 30 or 40 per cent of his catch you simply force him into some other vocation.

Q. Well it might reduce the number of fishermen, for instance?—A. Materially so, I think, sir.

Q. And it might for a while reduce the catch but don't you think that in the long run it would improve and strengthen and enlarge the fisheries? If that law had been observed every year for years past don't you think it would have been to the advantage of both the fishermen and the canning industry?—A. Yes, I think it would.

Q. You think it would?—A. Yes.

*By Mr. McKenzie:*

Q. Is the size always an index to the age of the lobster?—A. No, I think not. For instance there are some localities in which you would almost invariably get small lobsters. You take in the northern part of Victoria, your own county, for instance the run of lobsters there is always small. I know of Ingonish where you would not get one-half of 1 per cent of lobsters 10½ inches in length.

Q. Then the throwing over of small lobsters, or the saving of small lobsters, has not always answered any particular purpose?—A. No. I think that a great many lobsters if thrown overboard at 8 inches would consist of lobsters that would not grow any larger. That is only an idea of mine, I may be wrong on that point.

Q. You spoke about washing off a lobster. Could an expert or an ordinary man tell that a lobster had been washed off?—A. Yes, I can tell. Most people can tell, that is most of the lobster packers can tell. But you can understand that when a lobster packer gets in 10 or 15 thousand lobsters in his cannery it would be almost impossible for him to take each of these lobsters and scrutinize it individually to see if it had been subjected to this mutilation.

Q. Would it be possible for the government to have such supervision at the cannery as would prevent this selling of lobsters that had been washed?—A. Well that would not prevent the evil because it takes place at sea and the evil would be done when the lobster got to the cannery and you could not catch the offender.

Q. What I mean is, if the man who had washed the lobster at sea could not sell the lobster he would not be so apt to do washing?—A. But it would be possible for him to sell the washed lobster. It would go in with the rest of the catch.

Q. I was going on the assumption that every man sold his own fish?—A. No, the fish are gathered up frequently by smacks, along the coast. We will say that between four and five thousand lobsters, caught by 30 or 40 men, are all put together in this smack and brought to the cannery. It would be impossible to tell who was violating the law and who was not by examination of the lobsters after the smack had taken delivery of them.

*By Mr. Kyte:*

Q. You are familiar with season for fishing lobsters. West of Canso when do they begin fishing?—A. Well, from Halifax east to Point Michaud the season starts on the 1st of April and ceases on the last of June.

Q. And west of Halifax?—A. The season is from the 15th December until the last of May.

Q. The season is very much longer in that part of Nova Scotia than it is in Cape Breton?—A. Yes, but it is so much more interrupted.

Q. Under the most favourable circumstances we have three months in Cape Breton?—A. We have three months, yes.

Q. But you being familiar with the conditions as regards drift ice you are aware that often the season is only two months?—A. Very little less.

Q. Very little less than two months?—A. Yes.

Q. In Cape Breton? Taking into account the fall fishing which they have in western Nova Scotia, they are not besieged by drift ice, and they have more advantages on account of the access they have to the market for fresh lobsters?—A. That gives them a material advantage.

Q. A material advantage. Then as a matter of fact a division of the seasons is not equitable as between western Nova Scotia and Cape Breton?—A. I think on the whole that we have no reason to complain about our Cape Breton season inasmuch as we have the season in the most favourable time of the year, that is in the summer season.

Q. They have summer too?—A. Until the last of May.

Q. Until the last of May?—A. They have only fishing until the last of May while we have fishing until the last of July.

Q. A part of Cape Breton only?—A. Between Canso and Point Michaud they only fish until the last of June?—A. The last of June, yes. We are limited to about two months' fishing.

Q. That is under favourable circumstances?—A. Under the most favourable circumstances.

Q. Under the most favourable circumstances, of course. Well, would it be any advantage to the fishermen, or would it injure the industry very much, if the fisher-

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men in Cape Breton had a month's fishing in the fall—that is, those of them who are able now to dispose of live lobsters in the American market? I do not speak of the canneries because it may be the canneries would not keep open?—A. My experience of fall fishing, as we used to do a lot of fall fishing on the Nova Scotia coast in the years gone by, is that the lobster is not in a fit condition. We found that it was apparently an invalid, that it had gone through a severe illness so that it required all its energies to recuperate as it were; and as a matter of fact for canning purposes it would take about 30 per cent more lobsters in the fall to fill a 1-lb. can than it does in May and June.

Q. What is the condition of the lobster in western Nova Scotia on the 15th December?—A. On the 15th December the lobsters in western Nova Scotia are fairly good. I am only speaking now about their condition in August, September and October.

Q. They are not good?—A. They are not good in the latter part of August to the latter part of October. The lobsters are not then in good condition.

*By Mr. McKenzie:*

Q. I suppose you regard the conserving of the seed lobster as the greatest problem of the fishing industry?—A. I consider it as the most vital in the lobster industry, yes.

Q. Have you any theory of your own as to how it could best be accomplished?—Yes, I have.

HON. MR. BRODEUR.—He has already given them

The WITNESS.—I have already explained it, but I will repeat the statement if you wish.

*By Mr. McKenzie:*

Q. Coming back to what we were talking of a moment ago, viz., the smacks, who is the owner of the smack that gathers up these lobsters?—A. As a rule the lobster packer owns the smacks but there are many cases in which the smacks are owned by the men themselves who become the employees of the packer.

Q. Supposing you call this a smack for the purposes of bookkeeping for a moment and charge the smack with all the seed lobsters that are washed and refuse to pay for them. How would that work?—A. You would not get any smack man to go under those conditions because for him to examine every lobster that goes into the boat individually to see if it has undergone mutilation would take the whole day. He would never get back to the wharf in time with his day's catch.

Q. Supposing three men go out and catch 300 lobsters and among them were 25 seed lobsters which had been washed off. In getting their accounts settled would it be too much to charge those 25 seed lobsters to each of them so as to get at the offender?—A. I am afraid that would be making the innocent responsible for the acts of the guilty.

Q. Certainly, but this is an extraordinary case and you have got to provide an extraordinary remedy?—A. I don't think that any measure you could adopt with regard to the smacks would prevent that thing.

Q. What I want to get at is the fisherman who violates the law by destroying the young of the lobster?—A. But there are many fishermen who do not want to violate the law. There are many fishermen who want to do the right thing by the law and the fishermen now are waking up in many respects to the necessity of observing the law, but you will understand that in each district there are men who will violate the law and it is impossible to tell who is guilty of the violation as the offence is committed at sea.



*By Mr. Jameson:*

Q. You were speaking a moment ago about the pounds, Mr. Baker. In your idea the pound is the ideal way of handling the seed lobster?—A. I think so. I think so far as we have gone into the lobster industry, so far as experiments in both Canada and the United States are concerned, there has been nothing more beneficial to the lobster industry than the saving of the female lobsters carrying eggs in pounds and liberating them at the close of the season.

Q. What method is adopted in securing lobsters that are in pound, what method do you adopt in getting the lobsters?—A. They are purchased with the ordinary lobsters along the coast from the fishermen, brought up in smacks and put in crates at the various stations and then brought to the pounds and put into the pounds in their natural environment and at the end of the season are liberated along the coast hatching their eggs in a natural condition.

Q. Then they are taken by the fishermen?—A. Yes.

Q. And preserved by them as seed lobsters?—A. Yes.

Q. And what remuneration is allowed the fishermen for taking them?—A. We pay the fisherman about 50 per cent more than for the ordinary lobsters. In addition to that we have smacks employed. We have to furnish crates at our own expense, that is these large boxes, and food—herring—and caretakers and the pound itself. That pound I have at Fourchu has cost me, first and last, nearly \$12,000, that is, the improvements on it and the expenses.

Q. The lobsters can be handled that way with perfect safety without injuring the berries or eggs?—A. Yes, that is my experience. There is, of course, a percentage of them that will die.

Q. What percentage?—A. I should judge between 5 and 6 per cent.

Q. And how far are they transported in that way? I mean what area do you cover along the coast in each direction?—A. We cover as far as Scattarie. We have not got that far the last two years.

Q. In miles what would the distance be?—A. About thirty miles one way and twenty miles the other.

Q. How long can they be treated after they have been landed in the pound?—A. You can keep them a week or ten days, that is to say if you give them a good environment.

Q. Is yours a natural pound?—A. No, it is a pound we had constructed in the mouth of the harbour. I have a photograph of that pound with me.

Q. What is the depth of water?—A. It varies from  $2\frac{1}{2}$  to 14 feet. There is a deep channel running through the middle of it.

Q. And at no tide what depth would it be?—A. Well, from two feet to eight feet deep.

Q. Have you found that the fish in it have been injured by the rays of the sun?—A. Yes, on one occasion we had a somewhat serious set back, but on only one occasion during the last six years. The sun became intensely hot and the water grew very warm and quite a number of the lobsters got sick as it were. We had them taken out into cold water at once and many of them recovered. If you will permit me I will show you a picture of this pound (exhibited the photograph).

Q. What area is reclaimed?—A. About 60,000 square feet.

Q. And what is the construction of the retaining wall or breastwork?—A. It is made of stone piers and they are lined on the inside by plank boards  $1\frac{1}{2}$  or 2 inches thick, and the whole is surmounted by a wire netting.

Q. And the water passes freely in and out?—A. Freely. It is a perfect current of water.

Q. And in a pound such as you have described how many lobsters can safely be treated?—A. You can put 100,000 there.



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Q. And how many caretakers does it require in a pound to feed the lobsters, and so on?—A. About eight. That is to operate it on a large basis. To have a number of pounds in some localities you would not work it on so large a scale as you do in Cape Breton, you would only want about three caretakers.

*By Mr. Maclean (Lunenburg):*

Q. How are you paid, Mr. Baker, for this?—A. So much a lobster.

Q. By the department?—A. By the Department of Marine and Fisheries.

Q. How much per lobster?—A. 16½ cents.

Q. For each?—A. For each lobster delivered.

Q. Delivered to whom?—A. Delivered to the agent of the Marine and Fisheries Department.

Q. At the pound?—A. Yes.

*By the Chairman:*

Q. Who pays for the lobsters that die during the season?—A. I lose that myself.

Q. You own the pound?—A. Yes, I built the pound at my own expense. It has cost me now between \$11,000 and \$12,000. I find that the smaeks, crates, feed, men and employees of every description; in fact, carry the thing on at my own risk, getting 16½ cents each for the lobsters.

*By Mr. Daniel:*

Q. Do you put feed into these pounds?—A. Yes, we have to feed the lobsters regularly.

Q. What is the nature of the food?—A. Herring ground up, chopped up.

Q. How many lobsters do you have at a time in this pound?—A. We have had as large a number as 30,000 and 40,000, and even as high as 50,000, including large ones.

Q. They would take quite a lot of food?—A. Quite a lot, yes.

Q. How much?—A. I could not tell you very well. They take herring and cut them up. We found at first that when we threw the herring in whole without cutting it into pieces lobsters would fight for the food, but after a while we cut the herring up into very small pieces, and then every dog had his bone, as it were, and there was no more trouble.

Q. It would take some barrels of food every day, would it not?—A. Yes. We don't feed every day, but every second and third day.

*By Mr. Maclean (Lunenburg):*

Q. Do the lobsters destroy each other in the pound?—A. No, not to any extent.

Q. How long has it been running?—A. Six years.

Q. Have you noticed any improvement now?—A. In the catch along the coast? Yes, quite an improvement.

Q. Do you say it is traceable to this pound?—A. I think all the improvement we have on the south coast of Cape Breton is to a very great extent traceable to that and that alone.

Q. What has been the nature of the improvement?—A. Larger catches and many of the fishermen who had their doubts of the benefits that would be derived from this pound are now strongly in favour of it.

*By the Chairman:*

Q. Do you see many small lobsters along the coast?—A. Yes, quite a lot, particularly during the last two or three years.

Q. And these berried lobsters, do they spawn in the pound and go off or afterwards?—A. Quite a number hatch their eggs in the pound, that is to say at times during the season.

Q. You told us the pound was an advantage over the hatchery because the lobster had its natural environment?—A. Yes.

Q. You also told us that when the female lobster wanted to develop the eggs she went in—here to warmer water but when it came to hatching them she went to sea?—A. Yes.

Q. She cannot do that in a pound?—A. Yes, she can.

Q. In that case how will she get to sea?—A. She does not but the young lobsters that are hatched gradually make their way out through the crevices of the pound. We see them frequently out in the harbour amongst the eel grass.

Q. The young lobsters get out through the crevices?—A. The fry is most vigorous. Prof. Halkett, whom I have seen here to-day, was down there examining the conditions. He saw great myriads of young lobsters in a perfectly healthy condition.

*By Mr. Jameson:*

Q. What percentage of lobsters do you lose, that is of the total number you took into the pound during the year?—A. There is a loss of about 5 or  $5\frac{1}{2}$  per cent.

*By Hon. Mr. Brodeur:*

Q. That is you pay for 95 per cent?—A. 95 per cent, yes, sir.

Q. With regard to the size limit and the observance of the regulations, what would you think of reducing the size limit for some years or for a year to 7 inches and then increasing it gradually to 8 inches? Do you think it would be a good way of getting the fishermen to observe the regulations?—A. I do. For instance, if you were to enact now a 7-inch limit for the Island of Cape Breton the fishermen there would feel it was only right to meet your views with regard to that limit, and after they had done that for a year or so if they found the catch was increased as the result of this observation of so slight a size limit they would fall into line and probably want a larger limit, might in fact ask for it. But I think if any attempt were made to enforce a drastic measure with regard to the size limit to start with it would wind up the lobster business.

Q. You think it would be impossible to do that and preserve the packing industry?—A. Yes, sir

*By the Chairman:*

Q. Would you confine that observation to Cape Breton entirely?—A. No, I think that principal obtains throughout the entire lobster industry.

*By Hon. Mr. Brodeur:*

Q. Throughout the whole maritime provinces?—A. I think so, sir.

Q. To decrease the size limit and then increase it gradually?—A. If necessary, yes, sir.

Q. And have the law observed?—A. Yes, sir.

*By Mr. Daniel:*

Q. What guarantee would there be that the law would be observed any better than it is now?—A. There would not be any other guarantee than this: if you give the fishermen of Nova Scotia—I perhaps should say the Island of Cape Breton because I am more familiar with that—a 7 inch lobster law they will recognize at once that it is necessary to do something, they will meet you in a spirit of fair compromise and while a 7 inch law would not be a very serious drawback to them the

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maintenance of a larger limit would, and I think that they would accept this as a compromise. I feel sure they would, particularly if they were given to understand that this 7 inch law must be carried out.

Q. Is there any method of educating the fishermen with regard to this matter of preserving the lobster industry?—A. Yes, the fishermen are being very largely educated now by the Fishermen's Union of Nova Scotia. The fishermen have banded themselves into a union all along the line; they are picking up information all the time, and as far as I can find out they are becoming educated up to the fact that the saving of the seed lobster is absolutely necessary. I think it is only a question of probably a year or two that all along the line this idea will be adopted, particularly if the government undertake to build some pounds and help the thing along.

*By Hon. Mr. Brodeur:*

Q. You said there was a percentage of about 33 per cent of the catch of lobsters canned which were under the size of 8 inches?—A. Yes, sir.

Q. Of that number can you give us the proportion of lobsters below 5 inches, below 6 inches and below 7 inches?—A. I don't think I could give you any definite information on that subject. Of lobsters of say 6 or 7 inches there would be probably 20 per cent.

Q. And from 7 to 8 inches?—A. That is what I meant, from 7 to 8 inches, 20 per cent, from 6 to 7 inches, probably 15 per cent, and 5 per cent would be below that.

Q. That makes 40 per cent?—A. Yes, about 40 per cent.

*By Mr. Warburton:*

Q. How many 7-inch lobsters does it take to fill a pound can?—A. About nine. The lobster varies in the different districts. As an absolute fact the lobsters in certain portion of Cape Briton required from 200 to 250 lbs. to fill a case, while in other part of Nova Scotia on the mainland 190 to 200 lbs. of lobsters will fill a case, they are better meated.

*By Mr. McKenzie.*

Q. I suppose the fishermen regard these laws and regulations as being in their own interest, do they not?—they seem a necessity?—A. There has been a general feeling among the fishermen that it is utterly impossible for man to destroy anything that swims in the sea.

Q. And in that way, I suppose, they regard the laws and regulations as unnecessary?—A. They regard the regulations as having good intention but not in any wise effective. But of late years they have recognized the advisability of saving the seed lobsters.

Q. Knowing you as well as I do and having confidence in you I wish to ask you a question, and that is, 'How do you know whether a lobster is 7 inches or 13 inches long, you never measure them, do you?—A. Yes, frequently.

Q. Does it not take too much time to measure them?—A. No, I have made a special study of the lobster industry during the past 25 years.

Q. You have told us that it would be impossible to find out whether a lobster had been washed or not because it would take too long to examine them. Would not the same objection apply to measuring them?—A. I have never undertaken to go over the 25,000 or 30,000 lobsters and find out how many have been washed.

Q. How do you find whether a lobster is 7 inches or 8 inches long?—A. Measure it, in order to be sure.

Q. But you do not measure all of them?—A. Oh, no.

Q. Do you put them through a gauge or something of that kind to ascertain the size?—A. We have a gauge with an 8-inch limit marked on it, that is for the size limit.



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Q. The 8-inch lobster would not go through the hole and therefore you use it, but the 7-inch lobster goes through and therefore you do not use it, is that it? You do not measure them at all?—A. Oh, no, I have measured them enough to see how long they were.

Q. And therefore about once a week you might discover there were some short lobsters—

Mr. MACLEAN.—You are giving this evidence without prejudice, of course?

A. I am giving the full facts about the lobster industry, and I think it is fully time they should be known and published broadcast everywhere. We cannot publish the facts too extensively with regard to this industry.

*By Mr. Prowse:*

Q. But could you not obtain evidence regarding the packing of undersized lobsters from the size of the lobster in the can after being packed?—A. Yes, but such evidence would not be satisfactory in a court of law. For instance there is (indicating specimen of berried lobster produced by the department) in that jar a large lobster with one very small claw. If you were to seek to prove, in a court of law, by the size of the meat taken from the claw in a can of lobster that it was an undersized lobster, it might be said that although the claw was very small it had really been taken from a large lobster. It is true that the specimen before us is exceptional in regard to the very small claw it has.

*By Mr. Daniel:*

Q. What would be the size of that specimen lobster to which you refer?—A. I could not tell you that exactly—about  $11\frac{1}{2}$  inches.

*By Mr. Maclean:*

Q. There is another debatable question in lobstering circles, namely, the granting of licenses to can—are you in favour of restricting the number of licenses?—A. Certainly I am in favour of it.

Q. You would consider it undesirable to allow everybody to have a license to can?—A. Yes, I consider that if everybody were allowed to can lobsters it would only be a question of a very short time before the market would be glutted by inferior lobsters that would give the whole industry a black eye, as it were, on account of the poor qualities.

Q. I think that is right, Mr. Baker, but how would you fix the limit of licenses?—A. Well, so far as I can see, there are now as many cannerys around the Nova Scotian coast as are necessary. For instance no cannery is overburdened with lobsters, and every cannery has a certain fixed expenditure. Take for instance, that a cannery has a fixed expenditure of \$1,000, say. That cannery under existing conditions packs a thousand cases; therefore the fixed expenditure per case is \$1. Let somebody else come in and locate right alongside that cannery, taking 50 per cent of that catch, that cannery still has a fixed expenditure of \$1,000, but it is only able to pack 500 cases, so that instead of being under a fixed expenditure of \$1 per case, the fixed charges amount to \$2 per case, just doubling what it was formerly.

Q. Yes, but you would not want to make restrictions so severe that it would work as a monopoly?—A. There is no danger of any monopoly coming about by reason of the restrictions, because I do not know of any district in Nova Scotia in which competition is not carried on to such an extent as to prevent it. I want to make the statement now so that it will be thoroughly appreciated, that I do not believe the lobster industry in Nova Scotia last year benefited the lobster packers 3 per cent. I think this is a question which should be looked into. There has been a feeling along the coast among the fishermen that the lobster packers are growing rich out of the lobster busi-



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ness. I venture to say that last year the business did not return the packers 3 per cent. I know of some instances where a great many thousands of dollars loss was incurred; the prices became exceedingly high in consequence of reckless competition and the result of that was that no packer knew how many lobsters he was going to get because of that competition, and there was demoralization of the whole industry.

Q. But there must be a certain number of licenses, of course; how would you regulate that?—A. I presume that is discretionary with the department.

Q. Would you require a canner to undergo examination prior to getting his license; would you require him to show that he is capable of packing good lobsters?—A. I might say that only the other day in New York I was talking to a gentleman who has stocked himself up somewhat largely with canned lobsters; he was complaining about the quality. I do not know what the result would be if everybody were allowed to pack lobsters—and all kinds. As a matter of fact you cannot tell whether the lobsters are good or bad, so far as the contents are concerned, until you open the can.

Q. A packer with a good reputation is what is required?—A. The price of lobsters has never been so high as during the time the number of licenses was restricted.

Q. And you would get uniformity in the pack in that way?—A. Yes, a lot of established brands have become known and are sought after and have their regular consumers. The lobster business is precarious and I have known, twenty years ago, thousands of dollars of loss sustained from inferior packed lobsters which had been put up by inexperienced people.

*By Hon. Mr. Brodeur:*

Q. Would the restriction of the number of licenses be inconvenient to the fishermen by requiring them to carry the lobsters a longer distance to the factories?—A. The canneries are situated very closely together. In Gabarouse there is the Baker Limited factory, then two miles from that we have the Smith factory, and four miles across the bay we have the Abriel factory, and five miles from the Abriel is the Mitchell factory, and the Burnham & Morrell factory is four miles from that; in fact nearly every cove in Cape Breton has a lobster factory.

*By Mr. Maclean:*

Q. Do you think we should give packing licenses to aliens?—A. To aliens? A very large part of the lobster business of Nova Scotia, and in fact of Canada, to-day is controlled by American firms; men who have a large amount of money invested in the business—these men are opponents of mine, but they have always carried on their business by business methods. Their brands are well known, they are responsible people in every respect, and I think that the people will be far, far better off in the lobster districts under these conditions than they would be if you were to allow a lot of new people to come in who would probably glut the market with an inferior quality of goods and cause a general demoralization of the business.

Q. Would you restrict the licenses to your own countrymen?—A. I beg pardon?

Q. Is it not desirable to restrict these licenses to Canadians?—A. I do not know.

Q. Could a Canadian get a license in the United States to pack lobsters?—A. No.

*By Hon. Mr. Brodeur:*

Q. There is no packing done?—A. No, sir.

*By Mr. Warburton:*

Q. Do American firms like the Portland Packing Company employ local labour on the coast?—A. It is nearly all local labour.

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*By the Chairman:*

Q. Are the fishermen pretty generally engaged in the fishing of lobsters?—A. Yes.

Q. Nearly every fisherman?—A. Nearly every fisherman. Well, probably 80 per cent.

Q. Of the entire fishermen?—A. Of the entire fishermen on the coast.

Q. Nearly 80 per cent of the entire fishermen of the coast are engaged in fishing lobsters?—A. Yes.

Q. I have heard it said that the number of lobsters caught depends upon the number of fishermen and that increasing the number of licenses would not necessarily increase the catch but simply distribute it among more canners. What do you say to that?—A. Well, for instance you take us in Gabarouse. If two or three other canners came there, we would make up our minds either to abandon the business altogether or import a lot of fishermen to fish. For instance, if we wanted to pack a thousand cases in our cannery at Gabarouse, we know Smith is a canner there, Abriel is a canner there, but if you provided more licenses, we would bring in other fishermen to catch those lobsters for us.

Q. Where would you get them?—A. We would get them anywhere, get them from the west.

Q. They are all engaged in fishing now?—A. We could get men. We would have no difficulty in importing a number of men there.

*By Mr. McKenzie:*

Q. You have exported lobsters to Boston and other American cities?—A. Yes.

Q. And you have exported in competition with Americans who were doing business side by side with you down in Cape Breton?—A. Not doing business side by side with us. We are about the only firm on the south coast of Cape Breton who export lobsters alive.

Q. But you have been doing business in competition with American firms who were exporting to the United States?—A. Yes.

Q. Americans doing business here?—A. Yes.

Q. Are you admitted into the American market on the same basis exactly as the American who is doing business in Nova Scotia?—A. Precisely.

Q. He gets no favours?—A. No.

Q. Do you pay duty on lobsters?—A. No.

Q. You export them to the United States free of duty?—A. Yes.

Q. Do you pay duty on your cans?—A. We don't ship canned lobsters to the United States. Ours all go to Europe.

*By Hon. Mr. Brodeur:*

Q. Which way are they shipped to Europe?—A. We ship them via Halifax.

Q. I see that there is a good trade made with France. How are those lobsters carried to France?—A. Some are shipped direct from Halifax and some are sent to Liverpool and from there shipped to France. There is a tremendously large business in France for the Canadian canned lobster.

*By Mr. Currie (North Simcoe):*

Q. How many American firms are engaged in this canning industry in Nova Scotia?—A. Well, there is the Portland Packing Company, Burnham & Morrell, H. C. Baxter & Brother—

*By Mr. Warburton:*

Q. Are the Portland Packing Company the same people?—A. No, they are all different. Mr. Baxter, of the Portland Company, is a brother of the James Baxter who is in the Baxter Brothers' business.

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Q. That is three you have named?—A. Three, but there are four or five.

*By Mr. Currie (North Simcoe):*

Q. What proportion of the total pack do they handle?—A. I should judge about 40 per cent.

*By Mr. Maclean (Lunenburg):*

Q. In the district they are operating in?—A. I presume their pack is about 40 per cent of the entire catch.

*By Mr. Currie (North Simcoe):*

Q. Do they permit you to pack on the State of Maine coast or any of the American sea-boards?—A. No.

Q. Are the canned goods packed by these firms admitted free into the United States?—A. Yes, I understand so, and ours are admitted free too.

Q. Do yours enter free also?—A. I think so. I do not think there is any duty on canned lobsters going to the United States.

*By Mr. Kyte:*

Q. The Americans themselves do not can in the State of Maine?—A. No.

*By Mr. Currie (North Simcoe):*

Q. The American industry is entirely a live lobster industry, is it not?—A. Yes, in the United States.

Q. And what proportion of the canned lobsters put up by these American firms goes to the United States?—A. I could not tell you that, but I know they have a very large market in the United States for their own pack, and they also ship to France and to England.

Q. And they come into competition with you in France and in England?—A. Yes.

Q. That is to say, a foreign company comes in here and establishes a factory and puts up Canadian goods and ships those goods, in competition with Canadian capital, into France and Great Britain and other countries, is that right? A. Yes.

Q. Is there no special license paid by these foreigners for the privilege of carrying on business in this country in that way?—A. No, they have the same conditions that we have and they give us the same conditions in their markets as they have. The thing seems to be reciprocal as it were.

Q. What proportion of capital have they invested as far as Canada is concerned, I suppose just the capital outlay on their factories alone?—A. I should judge that about 40 per cent of the lobster industry is owned by Americans.

Q. Forty per cent of the Canadian lobster industry is controlled by Americans?—A. Yes.

Q. Do you or any of the other packers place your pack through the American firms in the United States?—A. Not that I am aware of. We do not.

Q. Do they own the smacks and gear engaged in the lobster industry?—A. In some cases they own the gear and hire the men to catch the lobsters.

Q. Do they pay any special license greater than you for this privilege?—A. No, they pay 2 cents a case.

Q. I mean do they pay anything more to this government?—A. To this government they pay 2 cents a case.

Q. Do you pay the same?—A. Yes.

Q. Otherwise they are permitted to come in free and engage in this industry?—A. They came in 30 or 40 years ago, they were the pioneer packers.



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Q. I have nothing further to say on that. I am not interested in the lobster industry but I think that having such an industry in Canada we should confine it as much as possible to Canadians. I think special regulations should be adopted to impose a large fee upon any foreigner who comes here and carries on business in competition with Canadian capital. I think that Canadians who invest their money in this enterprise should have protection?—A. These gentlemen have always been so businesslike in their operations in Nova Scotia, they have always given the fishermen such good satisfaction that they have become exceedingly popular. They have a large amount of money invested and it probably would be unjust to throw them out without some cause.

Q. Would not Canadians invest that capital if they had a chance?—A. I don't know.

Q. Well, now let me follow you out. In the earlier portion of your evidence here to-day you stated that the industry virtually was overcrowded with canners?—A. Yes.

Q. Well then, do you not think that in that state Canadians should get the first call, that if there is anything of that kind to be carried on our own people would be the ones to be benefited?—A. I venture to say that if to-day all these American packers and nearly all the large packers in Nova Scotia, any of them, were to put their lobster canneries on the market they would not realize 50 per cent of their cost, nor could they see, from the results which they have obtained from the lobster fishery, that they have got enough profit to justify any business man in offering them more than 50 per cent of their outlay.

Q. If 40 per cent of these canneries were wiped out then the other 60 per cent would reach par according to your method of computation?—A. Yes.

*By Mr. Daniel:*

Q. Do you find the live lobster business more remunerative in its results than canning?—A. Last year the live lobster business was not remunerative. It was very, very precarious always and last year, owing to the adoption of a 9-inch limit in the State of Massachusetts, which I consider was a bid for cheap lobsters in Nova Scotia, the American market was glutted all the time by the 9-inch lobsters coming into the United States so that, in May the price of lobsters dropped to \$7 and \$8 per crate; the dealers took advantage of the situation.

Q. About how many lobsters are there in a crate?—A. About one hundred. The dealers in that State took advantage of the situation and on the ground of the glutted market poor returns were given, so that nearly everybody who shipped live lobsters last year was disappointed. I know that in our own case we met with some very severe losses, and I know of others whose experience was the same.

Q. Then it is not likely to be an increasing business?—A. Not under the 9-inch limit in Massachusetts.

Q. You think that is too small for live lobsters?—A. Yes.

*By Mr. Maclean:*

Q. Should there be a season, or a limit of time after the close of the season during which the fresh lobster exporters might keep their lobsters in some pond, and ship them gradually to the United States as the market required them?—A. I think that would result in the general demoralization of the live lobster trade for the reason that if the fishermen of Yarmouth and Shelburne were allowed to carry their live lobsters over until June they would interfere with the market for the Cape Breton fishermen who had not had the advantage of fishing from December to June as would the fishermen from the districts I have named. All the advantage would be with those men and the Cape Breton men would get no advantage at all.

Q. Unless you extended the time again for the Cape Breton men?—A. That would be too late in the season because that would bring you into August again. The



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result would be that the men who started in the west to fish in the middle of December and continued until the last of May would carry over in some cases large quantities of lobsters until June when they would come in conflict with the fishermen of the east, which would be unfair to the fishermen of the east.

*By Mr. Currie (North Simcoe):*

Q. What proportion of the total catch, as near as you can approximate it, is taken outside the three mile limit?—A. I do not know of any.

Q. There is nothing taken outside the three mile limit?—A. Not on our coast. I understand that in Yarmouth and the west they do go off to sea and fish there.

Q. So that the Americans catch their 40 per cent of the total lobster fishery inside the three mile limit?—A. Yes.

Q. And that percentage is caught by them, using their own gear and tackle do you say that a proportion of that gear is brought in from the United States by them?—A. No, the large proportion of it is purchased in this country—the material for it is purchased in this country, and a great deal of it is manufactured here giving employment to the local men, women and children around the factories. If their places were taken by others the chances are that well known brands of lobsters would go out of existence to be replaced by inferior brands put up by people who are not experts in the business.

*By the Chairman:*

Q. You do not think it would be an advantage to the Canadian fisherman to drive out the American packer?—A. No, I think it would come back on the fishermen in a very, very bad way. That is my view of it; I know there are others who hold very strong views the other way.

*By Mr. Kyte:*

Q. The fishermen are exclusively Canadians?—A. Yes.

*By the Chairman:*

Q. Is it customary for packers to take out a license for a cannery and not use it?—A. There are very few.

Q. Have you known of cases?—A. Oh, yes, a man may take out a license for a factory and afterwards decide that he shall not use it. The law says that you shall not get a license if you cease running, so that a man having a cannery may take out a license and pack a few cases just in order to keep his factory license; the law does not require him to pack a minimum quantity.

The CHAIRMAN.—Do you want to ask Mr. Baker any questions, Professor Prince?

Professor PRINCE.—No, so far as I am concerned I think Mr. Baker has given very full information.

Hon. Mr. BRODEUR.—Do you desire to ask Mr. Baker any questions, Mr. Venning?

Mr. VENNING.—No, sir, I have already discussed the matter very fully with Mr. Baker, and I think he has only repeated here what he said to me.

Hon. Mr. BRODEUR.—Would Mr. Cunningham like to ask Mr. Baker anything?

*By Mr. Cunningham:*

Q. I would like to ask you in reference to the 8-inch lobster limit, you speak of a 7½-inch lobster bearing eggs?—A. I say it is exceptional to find a lobster of that size bearing eggs, or rather that you will probably find only one in a hundred thousand.

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Q. And do your remarks appertain also to the 8-inch lobster?—A. Yes, practically. We find very few 8-inch lobsters berried, of course there will be some of that size, and even some 7-inch lobsters but it is very rarely. We do not get berried lobsters that amount to anything under nine inches.

Q. What size do you consider berried lobsters should be?—A. From 10 inches up.

Q. And the 9-inch?—A. Very few in proportion to the numbers.

*By Mr. Maclean:*

Q. What is troubling me is how you are going to protect the lobsters if you say that the best berried lobsters are 10 inches and upwards, and still you propose a 7-inch limit.—A. Simply by buying the seed lobsters from the fishermen and giving them more for them than for lobsters without eggs on them. I understand you are going to pay 50 per cent more for the seed lobsters.

Q. But supposing they haven't eggs on them?—A. Then they are not seed lobsters.

*By Mr. Kyte:*

Q. But they will be in August.—A. Yes, some of them.

*By Mr. Daniel:*

Q. I think you suggested, or the Minister suggested, that in order to protect this industry the size limit should first be reduced to 7 inches, and then gradually increased. Now, what is the logic of that? If you are going to increase the limit why begin by reducing it?—A. I told you why—the conditions to-day are such that if you undertake to increase the size limit and carry it out, enforce it, you will close the lobster canneries; the canneries will go out of existence.

Q. But you propose to increase it beyond 8 inches?—A. Yes, exactly so, but under the existing conditions it is recognized that the law is not observed with regard to the size limit at all. If you meet the fisherman with rational terms, say: 'We are going to give you a 7-inch limit, and expect you to carry it out,' then the fisherman will understand the situation and he will accept it, particularly if you make arrangements with him to buy his seed lobsters.

Q. But I cannot just see how you expect him to obey the law any better when he has a 7-inch limit than he does with the 8-inch limit because, as you say, now he catches everything that goes into his nets?—A. Yes, sir, the temptation is not one-half so strong; to enforce this limit as it exists to-day it would drive him out of business; but he can stay in his business under the proposed limit especially if you buy his seed lobsters.

*By Mr. Maclean:*

Q. The fisherman can make a living when we allow him to catch 7-inch lobsters, you are minimizing the temptation to break the law by placing that limit?

MR. DANIEL.—That may be true, but if there is anything to be gained by having a limit above 7 inches you are giving all that gain away by reducing the limit, are you not?

HON. MR. BRODEUR.—Well, there are 40 per cent of the lobsters to-day which are undersized, which are being caught against the provisions of the law. Then the suggestion is made whether we should not make a compromise with the fishermen who are interested in the lobster industry, by which 40 per cent would be considered as absolutely illegal and against the catch to which the law would be enforced?

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Mr. DANIEL.—How are you going to enforce the law? Reduce your limit to 7 inches; it is now 8 inches. How are you going to enforce the law? Mr. Baker says you cannot enforce the law.

Hon. Mr. BRODEUR.—If you cannot put it in force against the fishermen, enforce it against the canners.

*By Mr. Daniel:*

Q. What do you propose, Mr. Baker, is that in case the size was reduced to 7 inches the law should be enforced, and that we should get at the canners in order to enforce it?—A. Yes, get at the canners or fishermen, or smack men. Anybody who violates the 7-inch law should be severely punished.

*By Mr. Maclean (Lunenburg):*

Q. What punishment would you prescribe for a man catching or having in his possession a seed lobster?—A. I suggested some years ago, and I have never had occasion to change my mind, that every fisherman should be licensed to catch lobsters.

Q. Yes, I remember that.—A. And every packer should be licensed. If the packer violates the lobster law he should lose his license. If the fisherman violates the lobster law he should lose his license. The officers of the government as they go around now should have a book of numbered forms or licenses. Each fisherman should take one of these which will enable him to catch lobsters just so long as he observes the regulations.

Q. How would you swear him?—A. It is not necessary to swear him at all.

Q. What objection would there be to a penalty of imprisonment for a man having a seed lobster in his possession?—A. Past history has shown that very severe measures have always proved to be disastrous.

Q. For what reason?—A. They are too heroic.

*By Hon. Mr. Brodeur:*

Q. All the fishermen would side with you?—A. Yes.

*By Mr. Jameson:*

Q. Following out the question of licenses to the fishermen, how would you ascertain whether each fisherman had carried out the law?—A. Every one would be an inspecting officer when he received a license to catch lobsters. There would be perhaps 20 men going off a beach in the morning to catch lobsters. Each one of these men has a license but perhaps out of that number there are one or two or three men not wanting to observe the law. Very well, some one of his fellows reports him and he loses his license; I don't think the thing would be complicated at all.

Q. To whom would he be reported?—A. He would be reported to the fishery officer.

Q. And who would adjudicate upon the case? There would have to be some adjudication?—A. The inspector, I presume.

*By Mr. McKenzie:*

Q. The inspectors are now ex-officio justices of the peace and they try cases?—A. Yes.

*By Hon. Mr. Brodeur:*

Q. Would the fishermen be in favour of that; would they not all be opposed to it?—A. I don't know that the fishermen would be opposed to it if you gave them a law that was reasonable. The present law they contend is unreasonable inasmuch

as the size limit appears to be too high and deprives them of too large a percentage of their catch.

Q. Of course, if the canner accepted lobsters less than 7 inches he would be liable to have his license cancelled too?—A. Yes.

*By Mr. McKenzie:*

Q. There is a gentleman here who wanted to know how you would carry out the proposition of buying the seed lobsters? Perhaps you answered that question earlier?—A. Well I made the suggestion that in order to raise money out of the lobster industry of Canada, instead of a fishing tax of 2 cents per case it be increased to 25 cents per case for packing lobsters under license. That would give the Department of Marine and Fisheries about \$40,000 a year. This sum could be devoted to buying seed lobsters from the fishermen and they would get for them 50 per cent more than they obtained for the ordinary lobsters.

Q. If you buy the seed lobsters what becomes of it?—A. It is put into a lobster pound where it has an environment under natural conditions and kept there during the time that fishing operations are going on for that season. Immediately at the close of the season when the eggs are ripe and ready for hatching the mother lobster is taken from the pound and liberated along the coast to hatch her eggs in a natural way.

*By Mr. Loggie:*

Q. What would you do in the case of a coast line where there was no inlet?—A. I may say the pound I have now is practically on the coast line. It is built at the mouth of Fouchu harbour. I don't think it would be advisable to go away up into the bay to build a pound because the conditions would not be natural, the heat would be too intense at times.

Q. Well would you have the government build those pounds on the sea coast?—A. I say that the government could get \$40,000 from the lobster packers by taxing them 25 cents a case and \$40,000 would build and equip about six or seven ordinary sized pounds.

Q. Yes, but six or seven would go only a small way?—A. They would go a very long way.

*By the Chairman:*

Q. It would be one in every 40 miles?—A. Yes.

*By Mr. Loggie:*

Q. How would you gather them up?—A. By steam smacks.

Q. At Point Eseuminac or Point Miscou you could not do that. There would not be very much chance to gather the lobsters up?—A. We have no difficulty in the Island of Cape Breton although it is a very rough coast.

Q. Are there any islands outside of you at all?—A. Yes, we have some islands outside of us.

Q. Well that is connection?—A. But where the pound is it is exceedingly rough, it is a rough coast.

*By Mr. Maclean (Lunenburg):*

Q. Would you get this \$40,000 annually?—A. You would get that \$40,000 from the lobster packers each year. With this money you could buy seed lobsters from the fishermen and the industry to that extent would be self-sustaining; it would be taxed this much money in order to buy seed lobsters for the future supply.

Q. And the lobster packers would be interested in the preservation of the lobsters?—A. The lobster packers should be interested.



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*By Hon. Mr. Brodeur:*

Q. Would the lobster packers be in favour of it?—A. Well I think they would. Those with large interests would certainly.

Q. Has it ever been discussed?—A. I discussed the matter with Mr. Baxter, of the Portland Packing Company, in New York recently. I asked him what he thought of it. He said he thought the idea was a good one and so far as his firm is concerned they would be very glad indeed to pay any reasonable tax that the other packers would pay towards maintaining the supply.

Q. You were speaking of a license for the fishermen? I suppose it would be an annual fee that you would charge them?—A. I would not recommend any fee at all.

Q. No fee?—A. No, I would just give them a slip of paper constituting them lobster fishermen for that season. I understand that in consequence they would observe the law and report any violation of the law which they happened to see.

*By the Chairman:*

Q. Mr. Baker, does it not strike you that such a license would be ineffective? Supposing you did cancel a fisherman's license it would be the easiest thing in the world for him to sell his pack to somebody else?—A. The fisherman?

Q. Yes?—A. No, sir, because the license that the fisherman would get would simply empower him to catch lobsters and not to sell them. If he lost his license he could not get any more lobsters that season.

Q. Why not?—A. He would have no license. The local officer would cancel his license and he could not get any more.

Q. Yes, but supposing he were in partnership with somebody else. Supposing that John Smith had his license cancelled and Tom Smith had a license? The former would sell all his lobsters through the latter to the factory?—A. But he would not be allowed under this license to do so.

Q. How would you prevent him from doing it, by fining him?—A. By cancelling his license.

Q. Supposing he disregarded that and went fishing with somebody else?—A. He becomes a violator of the law and would have to be punished.

Q. Yes, but that is what he does now in catching small lobsters and yet you do not do anything with him?—A. No.

Q. You would be in the same position would you not?—A. I don't think you would because every fisherman in the event of my suggestion being adopted would be appointed as a sort of officer. Every fisherman would be an official and there certainly would be many of them who would want to see the law carried out.

*By Mr. Jameson:*

Q. In reference to these suggested pounds you think that \$40,000 would cover the initial cost of building and equipping them?—A. I mean six smaller pounds than what we have, of course, ours is on a large scale.

Q. That would contemplate the government operating them, I suppose?—A. Yes, sir.

Q. Have you any objection to telling the committee what, with your six years' experience in your pound, you estimate to be the cost of the collection of those lobsters?—A. That works out this way—we have a steamer that plies along the Cape Breton coast gathering up the lobsters for our canneries, and we have smacks, and these boats have been doing the work of carrying on this lobster pound business; that is to say, they carry the seed lobsters from one place to the other and deposit them at the pounds, and the boats at the end of the season is placed at the control of the government agent who takes the seed lobster and delivers them. I should judge that the cost—we figure it out at about \$3.50 per hundred.

Q. That is 3½ cents per lobster?—A. Yes.

Q. And then for the care and the feed of the fish during the time they are impounded?—A. About 2 cents.

Q. Making a total cost of about 5½ cents?—A. Yes, sir.

Q. And you think that the government could operate these pounds for about that?—A. I think so, yes.

Q. Are you familiar with the Bay of Fundy?—A. No.

Q. You could not say anything with respect to that?—A. No. The great rise of tide you might have there would be detrimental. You have a great rise of tide there, have you not?

Q. Yes?—A. That would probably be detrimental to you.

*By Mr. Warburton:*

Q. Along the south shore of Prince Edward Island there are a number of ponds into which the tide ebbs and flows; they are shallow, and the opening into them is perhaps as wide as this room and one or two feet deep. Would these ponds be suitable for that purpose?—A. I do not think they would be sanitary enough; that water would not be sanitary enough for the lobsters. If I understand you aright, these are small places, inclosed by sand or rock and with a small outlet.

Q. With an outlet, perhaps as wide as this room, but inside the ponds are probably from 50 to 100 acres in extent?—A. It would be impossible to tell whether they are suitable without experimenting on them.

Q. You get magnificent sea trout in these ponds?—A. It would be necessary to make some experiments with lobsters. The lobster is a very ticklish crustacean; you have to handle it very carefully, and although the environment is apparently all right for lobsters, it might not be found suitable in practice.

*By Mr. Maclean (Lunenburg):*

Q. The only thing you have suggested is a reduction of the size limit in your district and the development of the pound system, with some restrictions, and the licensing of fishermen?—A. And the granting of no more canning licenses except at the discretion of the department, of course.

Q. And you say there should be a limit with regard to them?—A. It should be discretionary with the department.

*By Mr. Loggie:*

Q. What is the difference between taking the lobsters from pounds and liberating them to go to their haunts from the ordinary way of distributing the young lobsters from the hatcheries. Are they not subject in both cases to the same enemies and to the same destruction?—A. No, I tell you that when hatched in the pounds they do not leave the water at all, they are in their natural conditions, but when they are taken from the hatcheries they are poured into some receptacle and taken out to sea and thrown overboard. It is not the same.

Q. No, they are sunk in the sea?—A. The mortality seems to be very heavy.

Mr. CUNNINGHAM.—No, it is not very heavy, the mortality in distribution is not at all heavy, they come out in splendid condition.

A. Those hatched in pounds are not subject to any change at all from the time they are hatched; that is not the case with regard to those taken from the hatcheries.

*By Mr. McKenzie:*

Q. There is this striking difference between them that one goes out when he likes and that the other is put out at a certain time?—A. In the pounds they are hatched under the natural environment and kept there.

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*By Mr. Loggie:*

Q. Are there not other cannibal crustacea in that pound which devour these young lobsters?—A. No,—we have found some small fish in there but everything is watched very carefully, we have eight or nine men employed there constantly.

Q. But they would get in if they were not watched?—A. Yes.

Q. That is what I want to get at; the young lobster is subject to attacks by those enemies if they were present in the pounds?—A. Yes, they are.

Q. I was going to say in reference to the hatchery we have hatched 20,000,000 in our one hatchery and if the government would put on a steamer and gather up the seed lobsters they could hatch many more millions in the hatchery than they have hatched, but it would mean going to the expense of putting a steamer on and buying these seed lobsters. We might utilize the facilities we have to a much greater extent.

*By Mr. Venning:*

Q. You told Mr. Jameson that the cost of the collection of the berried lobsters would be 5½ cents?—A. Three and a half cents for collection.

Q. What is the other 2 cents for, you said 5½ cents was the cost?—A. That is for the maintenance and care.

Q. Including the collection and the maintenance of the fish, 5½ cents is the outside cost altogether?—A. That is the outside cost of the fish altogether—you would probably have to pay the fishermen, you are paying 16½ cents now, you would probably have to pay them about 10 cents for catching the lobsters.

*By Hon. Mr. Brodeur:*

Q. How much do you pay them?—A. We pay them 6 cents—it costs us about 11 cents. There has been very little money made in the experiments I have been carrying on, from the commercial standpoint.

*By Mr. Jameson:*

Q. It costs you 5½ cents plus 10 cents, that is 15½ cents?—A. Yes, we make about 2 cents as a rule.

Q. Just one question with respect to the seed lobsters that are hatched out in the pound. Is it not the case that there are a large number of shell fish, crabs and that sort of thing, that prey upon the young lobster when they are first hatched?—A. Crabs cannot prey upon the young lobster.

Q. They cannot?—A. No, sir.

Q. Are there any fish of any variety that prey upon them?—A. Yes, quite a number of fish prey on the lobster such as the cod, sculpins and eels. I have seen crabs in the pound but I have not seen crabs that were able to interfere with the young lobsters.

Q. I mean the young lobster when first hatched?—A. Then it is a swimmeret that goes darting through the water head first, the crab could not get at it, because it is a bottom scavenger.

*By the Chairman:*

Q. Professor Prince told us that the young lobster went head first?—A. Yes.

Q. Swimming in the ordinary natural way, and, later on, when he got bigger, he started to go backwards?—A. Yes.

Q. Can you tell us at what period of his life he changes?—A. The young lobster when hatched immediately becomes a swimmer and darts forward through the water head first and continues in that way until about four moultings, this is really the critical part of the lobster's existence because at that stage they are liable during the

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period of moult to all kinds of germs in the water, parasites, and the food problem must be a difficult one with them. They are also cannibalistic—one young lobster will dart upon another one—there is a little sac or shell on the back of the lobster that is very sensitive and one young lobster will drop on the back of another one and pierce that sac, killing him instantly.

Q. And eat him?—A. Yes, I have seen one lobster eat another one, that is, young ones. Well, the mortality is recognized to be so heavy that I suppose not more than 2 per cent survive but that is really the critical part of the lobster's life.

Q. You did not answer my question yet?—A. I beg your pardon?

Q. At what period of his life does he turn the other way?—A. After he becomes shaped.

Q. Yes?—A. It may be two or three months. The young lobster has got to grow and become a bottom scavenger before it crawls backwards. That would be after the fourth moulting.

*By Hon. Mr. Brodeur:*

Q. Is there anything you would like to add to your testimony?—A. No, sir, thank you.

Witness discharged.

Committee adjourned.



## APPENDIX No. 3

COMMITTEE ROOM No. 32,

HOUSE OF COMMONS,

THURSDAY, March 18, 1909.

The Select Standing Committee on Marine and Fisheries met at eleven o'clock, a.m., the chairman, Mr. Sinclair, presiding.

The CHAIRMAN.—I will ask the secretary to read a resolution that has been sent to me by the Halifax Board of Trade:

(Letter read by Clerk of Committee as follows):

BOARD OF TRADE,

HALIFAX, N.S., March 15, 1909.

J. H. SINCLAIR, Esq., M.P.,

Chairman of Standing Committee on Fisheries,  
Ottawa.

DEAR SIR,—At a meeting of the Fisheries Committee of the Halifax Board of Trade, the following resolution was unanimously passed:—

‘That in the opinion of this committee the first steps towards the better administration of the fisheries should be the reorganization of the Fisheries Department under a deputy minister of fisheries, as distinct from the Marine Department, and the appointment of a commission to thoroughly investigate the condition of the Canadian Atlantic Fisheries, with a view of inaugurating a progressive educative policy.’

‘Further resolved, that a copy of this resolution be sent to the chairman of the Standing Committee of the House on Fisheries at Ottawa.’

I might say that there was a full attendance at this meeting, and the resolution has met with the approval of parties interested in fisheries in this city, and would respectfully ask you to carry out their wishes.

I remain,

Your obedient servant,

E. A. SAUNDERS,

*Secretary.*

The CHAIRMAN.—We have present this morning Mr. Cunningham, Mr. Venning, and some other officers of the department; it is for the committee to say how we will proceed.

Hon. Mr. BRODEUR.—I suppose the members of the committee have read over the statement which was brought down by Mr. Cunningham the other day, and if anybody desires to put any questions to him in reference to the question of fish breeding he will be willing to answer.

Mr. MACLEAN.—Just on fish breeding, is it?

Hon. Mr. BRODEUR.—Well, Mr. Cunningham is in charge of that branch, it is under his supervision.

Mr. F. H. Cunningham, Superintendent of Fish Culture, called, sworn and examined.

*By Mr. Jameson:*

Q. I will just read these few lines from the evidence of Mr. Baker, given when before the committee the other day. He misunderstood the question I put to him

and I want you to give us the information, if you will, you probably can. The question I put was, 'Just one question with respect to the seed lobsters that are hatched out in the pound. Is it not the case that there are a large number of shore fish——.' He thought I said 'shell' fish 'that prey upon the young lobsters when they are first hatched? Mr. Baker replied, 'Crabs cannot prey upon the young lobster. There are large numbers of these lobsters hatched out in the pounds. I distinguished between those hatched out in the pounds and those hatched in the deeper waters. Can you tell us just what fishes there are that attack them in the pounds? Are there not more than would attack them in the deeper water?—A. Yes, the young lobsters escape from the pounds through the grating that is on the top of the wall containing the pounds. It is natural that with a large flow of young lobsters coming out of such pounds the enemies that prey on the lobsters should congregate there the same as all fish will where they seek their natural food.

Q. In the shallow waters, large numbers of perch and fish of that sort?—A. That is the understanding of all scientists who have written or examined into that way of distributing lobsters.

Q. Then there will be a large percentage of the lobsters hatched in the pounds which will be destroyed in that way?—A. There will be quite a number, and the longer the pound is in one particular spot, the longer the number of fish that will gather there and prey on the young lobster.

*By Mr. Maclean:*

Q. How long have you been in the Fisheries Department?—A. Twenty-six years.

Q. And you have always been engaged on the lobster side of the Fisheries Department?—A. Always in the Fisheries Department, and since 1888 I have been wholly connected with the fish breeding work of the department?

Q. With the fish breeding?—A. Fish breeding, that includes all kinds of fish that are incubated in the hatcheries of the department.

Q. What is your position termed?—A. Superintendent of Fish Culture.

Q. Who are with you?—A. The inspector of fish hatcheries, Mr. Finlayson, and the officers in charge of the fish breeding establishments and the under employees, such as those that may be employed on temporary work. Of course our staff is not always the same; when the eggs and the parent fish are being collected we have a much larger staff than ordinarily; but it may be stated that there are about five regular employees when they are in active operation, hatching eggs and distributing fry.

Q. Do you take into consideration also the matter of fish curing?—A. No, sir.

*By Hon. Mr. Brodeur:*

Q. It is not in your branch?—A. No, sir, that is not in my branch.

*By Mr. Maclean:*

Q. There is a different officer in charge of that?—A. That comes under Mr. Venning, who is superintendent of fisheries.

Q. You have heard some of the evidence given here since the beginning of the sittings of this committee?—A. Yes.

Q. What do you think of Mr. Baker's evidence yesterday with respect to the proposal to diminish the size of the lobsters taken on the shores of Cape Breton Island, that, I think, is the shore he referred to?—A. I do not agree with him, for the reason that he suggested that seven inches should be the minimum size. A seven-inch lobster never had the opportunity of reproducing, and it must be remembered that at the same time that you are catching the seven-inch lobster you are also catching the ten-inch lobster, and the larger sizes, which are the reproducing lobsters. Now, if you at the same time you are catching the seven-inch lobster are also catching the breeding lobster, it stands to reason that in time, and in a very short time, the lobster industry must be exterminated, because you are not only killing the young but also the breeding lobsters.

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Q. No lobster under seven inches carries eggs?—A. If I remember rightly he said probably one in a hundred thousand.

Q. Therefore you think that would be an encouragement to the destruction of the lobster that is reproducing?—A. Yes. With reference to the 7 inch lobster limit, he stated that it took nine 7 inch lobsters to make one pound can. Now to equal the number of pounds that we packed in 1907 it would require 78,000,000 of 7-inch lobsters, but with our present regulations, the minimum limit of which is eight inches it will take 69½ million lobsters to produce the same pack. That would be a saving of nearly 9,000,000 lobsters in the difference between the seven-inch and the eight-inch limit alone, and of course the larger the lobster the less number it takes to make a can. A seven-inch lobster will give you about 1½ ounces of meat, while the eight-inch lobster will give you about 2½ ounces of meat, that is a difference of one-third of an ounce more meat in the eight-inch lobster than you will get from the seven-inch lobster, and my figures in that respect are very conservative. So I claim that it is like a farmer if he kills off his ewes and his lambs at the same time his flock will very soon be exterminated.

*By Mr. Crosby:*

Q. What do you think the limit should be?—A. I think that with our present limit of eight inches and a strict enforcement of these regulations, with the assistance of the hatcheries and the pounds, that our lobsters will be perpetuated and that the industry will be conserved, and I contend that if any factory cannot continue its business with eight-inch lobsters it is time they were out of the business. A can of lobster in Ottawa to-day retails at 45 cents for a one pound can. If you take nine seven-inch lobsters to make a one pound can, it stands to reason that the drain on the fisheries is too great for the money that is received for it. Whilst they retail at 45 cents the wholesale cost of a case of lobsters in Ottawa to-day—the case contains four dozen is \$17. I contend that nine lobsters for one pound of meat which have never had the opportunity of reproduction is certainly too great a drain on the lobster industry.

Q. What do you say as to the spawning of lobsters, eight inches in size, do they all spawn?—A. No, it is a very small percentage of eight-inch lobsters that spawn.

Q. What percentage?—A. Last year I had occasion to handle some 2,000 lobsters and I did not find one eight-inch lobster in the 2,000 that was bearing eggs.

Q. You did not find one in 2,000—A. Not one in 2,000.

Q. Mr. Baker, I understand, said that not one seven-inch lobster in 100,000 bore eggs?—A. He said there was not one in 100,000 of seven or seven and one-half inches.

Q. Then what do you say to the limit of eight inches?—A. There are a very small percentage of eight-inch lobsters that will give you eggs.

Q. What I mean is do you not think it would be a good thing for the lobster fishery if we had a higher size limit?—A. Speaking——

Q. How are you going to conserve the lobster industry if you are going to kill them off at seven and a half to eight inches? If you do that you will never have any big lobsters?—A. Well the chances of lobsters becoming big even with the eight inch limit is certainly very small. Mind you I am speaking now purely as a fish culturist and in the interest of the perpetuation of the lobster industry.

Q. Exactly?—A. And as a man whose duty it is to, if possible, perpetuate that fishery and add to its value. I am not taking into consideration at the present moment the vested rights, or anything of the kind, of those who may be in the business: I am speaking entirely now from the standpoint of the propagation of the lobster, as a fish culturist.

*By the Chairman:.*

Q. You are not thinking of preserving the life of the fisherman at all?—A. No, I am not, not at the present moment.



*By Mr. Crosby:*

Q. You are thinking of prolonging the life of the fishermen and the life of those who are to come after them. I can follow you?—A. I think the fisherman himself should have enough interest in his business and those who come after him to help the department to enforce these regulations and thereby add to the perpetuation of the lobsters without the department having to pay them for carrying out the regulations. That is my view on the matter and it always has been.

*By Mr. Turgeon:*

Q. Do you not think that if we could observe a size limit of nine inches all over the maritime provinces that it would be best in the future of the lobster industry?—A. It would certainly be better for the perpetuation of the lobsters themselves but I do not think it would add very much to the life of those engaged in the business.

*By Mr. Crosby:*

Q. Take a nine-inch lobster, what would be the percentage of lobsters of that size that would spawn? Would there be any doubt in the case of lobsters of that size?—A. No. You might say that 60 per cent of nine-inch lobsters will bear eggs.

*By Mr. Maclean (Lunenburg):*

Q. Sixty per cent of the female lobster?—A. Of the female lobster, yes. When you speak of the female lobster I might say this: that in so far as I have heard everything has been done in the direction of protecting the female lobster, but we have heard nothing whatever about the propagation of the male lobster.

Q. How do lobsters breed?—A. They copulate. I have never read or heard of anybody who has actually seen the act of copulation, but scientists tell us that the sperm which is ejected in the act of copulation is of long vitality and that the eggs when extruded from the female become impregnated from the sperm which is contained in a receptacle on the female itself.

*By Mr. Todd:*

Q. Do you agree with Mr. Baker in his statement that from  $2\frac{1}{2}$  to 3 per cent of the female lobsters are barren?—A. I do not understand that Mr. Baker made any such statement as that

*By Mr. Warburton:*

Q. He did not say they were barren but that they would come to bearing?—A. Yes, certainly.

*By Mr. Maclean (Lunenburg):*

Q. At what age does the male lobster become fit for the duties of paternity?—A. I would think the male lobster would probably reach maturity just as early, if not earlier than the female lobster. I have never seen that question referred to in any scientific work or in any other direction.

*By Mr. Crosby:*

Q. Do you not think it is a matter of importance?—A. The age at which a male lobster reaches maturity?

Q. Yes?—A. Perhaps Prof. Prince could tell us more about that. I have never seen any reference made to the time at which the male lobster reaches maturity.

*By Mr. Maclean (Lunenburg):*

Q. When does the lobster cast its shell?—A. Generally about the month of September.

Q. At what age or size?—A. The first year of a lobster's life is a series of moultings.

Q. I see. It is continued is it?—A. It is continued right on for the first year and, of course, as the lobster grows larger the periods of moulting are further apart and



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at a certain stage there is no question that the moulting ceases altogether. The lobster does not keep on growing as long as it lives and as it increases in size the moultings becomes further apart and at a certain stage no doubt it ceases altogether.

Q. What is the probable age of a nine-inch lobster?—A. A nine-inch lobster would be about  $3\frac{1}{2}$  to 4 years old.

The CHAIRMAN.—Have you made any experiments to ascertain that.

Mr. DANIEL.—The evidence we have had is that the time taken to attain eight or nine inches would be at least five years. I heard some one make that statement, I don't remember who just at the moment, I think it was Prof. Prince.

*By Mr. Crosby:*

Q. Prof. Prince stated that it would take a lobster there years to develop five inches?—A. No scientists agree, Mr. Crosby, on that. The lobster that you saw in the jar yesterday is supposed to be a ten and a half inch lobster taken from the pound. Now Prof. Herrick with whom Prof. Huxley agrees, will tell you that a lobster would be from five to six years old.

*By Mr. Daniel:*

Q. With regard to the idea of reducing the size limit from eight inches to seven, you heard Mr. Baker's evidence?—A. Yes, I heard Mr. Baker's evidence.

Q. You heard him say that at the present time the law is not carried out at all?—A. Yes.

Q. That the cannery can everything that comes in?—A. Yes.

Q. Five, six, seven inches or any other size?—A. Yes.

Q. What is your view, what is your opinion, as to the effect on the business of reducing the size to seven inches? Do you think or do you not—

Mr. MACLEAN (Lunenburg).—He has answered that.

Q. Do you think or do you not that it would have the effect of depleting the fishery and ruining it?—A. I think it would have the effect of ruining the fishery.

Q. Ruining the fishery?—A. Yes.

Q. Destroying the very industry itself?—A. Destroying the very industry itself. Certainly there can be no other result. If you are destroying the progeny without allowing it to reproduce and at the same time destroying those that have reached maturity it is only reasonable to suppose that after a time the industry must be exterminated.

Q. Are you in a position to form any opinion as to how soon or at what period the industry would be practically destroyed by allowing things to go on as they are now or by reducing the size limit to seven inches?—A. By allowing the industry—

Q. As a matter of fact there is no limit now.

Mr. MACLEAN (Lunenburg).—That question is too general, there is no evidence.

Mr. DANIEL.—What do you say?

Mr. MACLEAN (Lunenburg).—There is no evidence quite as you put it. Mr. Baker was only speaking of one district.

Mr. DANIEL.—I am only speaking of one district because the size limit is different in other districts. I am referring especially to that district and have Mr. Baker's evidence particularly in my mind. I wanted to know if you could form any opinion or give the Committee any ground to form an opinion as to what length of time it would take to deplete the fishery as to make it non-productive?

The WITNESS.—That is a very difficult question to answer.

Q. What statistics have you in regard to the catch in the maritime provinces?—A. These statistics are all gathered by our officers.

Q. But that does not refer to the lobsters shipped alive?—A. The difference in the shipment of live lobsters in the years 1905 and 1907 is that there were 154,000 cwts. in 1905 and 97,490 cwts. in 1907.

Q. There is a decrease there?—A. There is a decrease there of 57,000 cwts.

Q. Do you know about the catch of lobsters on the coast of Maine in 1907, how it compared with previous years?—A. I have not the figures with reference to the State of Maine.

*By Mr. Todd:*

Q. There was an increase last year in the State of Maine I might tell the committee?—A. The decline in the catch of Massachusetts since 1899 has been from 1,612,000 lobsters to 426,000 last year, that was in the State of Massachusetts, and that is why, I think, they reduced their size limit to 9 inches.

Q. They do not can lobsters in Massachusetts?—A. No, these are live lobsters. It was the live lobsters that Mr. Maclean was asking about.

*By Mr. Maclean:*

Q. Are these figures affected any by the state of the market in 1907? Or does the decrease appear to be divided evenly over the different years?—A. That appears to be gradually declining during the period.

Q. In the maritime provinces?—A. In the maritime provinces.

Q. What methods have you adopted to get statistics with regard to the live lobster trade?—A. The statistics are all collected by our officers; just by what means they collect them I do not know, that is a question Mr. Venning will be better able to answer than I am.

*By the Chairman:*

Q. Have you a statement of the quantity of live lobsters taken each year in the maritime provinces and shipped to the market?—A. I could not answer you that. The only way you could get that statement would be from the lobster men.

Q. You haven't that?—A. I haven't it here.

Hon. Mr. BRODEUR.—I would advise the committee not to ask Mr. Cunningham in reference to that branch of the question, as he is not familiar with it. You will have Mr. Venning before you later on and he can tell you how that is done. Mr. Cunningham has taken charge of the fish breeding and pounds and I would advise the committee to confine their questions, whilst he is giving evidence, to those particular subjects.

*By the Chairman:*

Q. You say that in your opinion the live lobster trade is decreasing, as well as the canning, that is in quantity?—A. Certainly.

Q. From year to year?—A. Certainly, in 1905 they shipped 154,000 cwts. and according to statistics for 1907 they only shipped 94,000 cwts.

Q. I do not think that would prove that it was decreasing, by reason of comparison between any two years, because it fluctuates?—A. Of course it fluctuates, but the statistics show that there has been a decrease, this is not a simple comparison between two years.

*By Mr. Maclean:*

Q. Is it possible, notwithstanding the violation of the laws and regulations, for the department to have sufficient seed lobsters to reproduce that particular species in quantities large enough to keep up the average?—A. No, because every lobster that goes into the trap is taken by the lobster fishermen.

Q. Would there not be enough that are not taken to give all the seed required?—A. I do not think so, because we find that in connection with the lobster hatcheries it is getting more difficult every year to get a sufficient quantity of seed lobsters.

Q. Have you ever looked into the question whether or not there is a change going on on the Atlantic coast regarding the food of lobsters?—A. No, sir, I have not. That is purely a scientific work. We have in the Dominion of Canada some

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35 fish breeding establishments at the present time and the scientific part of the work is something that comes under Professor Prince altogether.

Q. What do you think about pounds?—A. I think myself that the pound is a valuable adjunct which assists in perpetuating the lobster industry.

*By Mr. Todd:*

Q. Is this private pounds you are speaking of?—A. No, government pounds. Mr. Todd: pounds run entirely by the government for the purpose of retaining the seed lobsters. And liberating them at such times and in such areas as they are required.

*By Mr. Maclean:*

Q. I am talking about pounds, no matter whether government or private owned pounds?—A. Yes.

*By Mr. Todd:*

Q. Do you favour private owned pounds? In our county it is a question of much importance. I know that most of our lobster in Charlotte county are now going over to Eastwood, they are being bought by private pound keepers in the State of Maine who put them into their private pounds. We would like to save them for private pounds in Canada, but they are taken across the border, they are sold to the private pound owners in the State of Maine who keep them in the pounds until the price goes up in New York and Boston, and then they take them out and ship them to the market, getting the high prices. In that way we are losing a great deal of money.

Hon. Mr. BRODEUR.—Do they sell them during the close season?

Mr. TODD.—Well, Maine has no close season.

Hon. Mr. BRODEUR.—No, no, I mean during our close season?

Mr. TODD.—No, they sell them in our open season. It has been agitated by fishermen in our waters that they should be allowed to buy them in the open season and sell them in the open season, but most of them will be sold in February or March when the price is high.

*By Mr. Maclean:*

Q. That is your opinion about retaining the seed lobsters in the pound for breeding?—A. That will depend upon whether or not the natural conditions exist in the pound that will allow of the lobster hatching in that pound during the close season. I do not think there would be any objection to that, provided of course that the pound afforded the natural conditions for hatching lobster, but the selling of those lobsters during the close season I would most certainly not be in favour of. In the State of Maine, of course there is no close season and the protection to the lobster there consists of the size limit only.

Q. That has often been urged, that the lobster fishermen should be permitted to keep live lobsters caught in the open season and sell them during the close season?—

A. That has been urged, yes.

Q. You do not favour it?—A. No, I do not favour that.

Q. It would be unfair to the men fishing in the districts whose season is later?—

A. Certainly, it would be unfair to the men who had not the same opportunity of the market or the season that he has, that the man in one district would be allowed to be trafficking in live lobsters during the close season at a time when they were ready for hatching.

Q. It would be unfair to the Cape Breton men as against the Bay of Fundy men?—A. Certainly.

*By Mr. Todd:*

Q. There is another point—by the establishment of these private pounds large lobsters would be shipped into the Canadian market, and they would bring much bigger



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prices than the canners now pay for them. The fisherman now, under the present system, do not get from the sale of their lobsters any such prices as they would receive if they were able to ship them up to the people of Ontario and Quebec where they pay high prices. It would net very much more for the fishermen down in the maritime provinces if that were done, because as it is now there are 40 or 50 private pounds around Eastwood and Portland in Maine for which these lobsters are bought and we lose them.

*By Mr. Crosby:*

Q. I want to find out what particular size the lobster would be when we would get the full percentage of its breeding?—A. You may calculate on a full percentage when a lobster reaches ten inches long. They are from ten inches and upwards the best lobsters for reproducing their species. After that they produce a large number of eggs, as these figures will inform you, which have been obtained from actual tests; an eight-inch lobster bearing eggs will give you an average of 5,000 eggs; a ten-inch lobster, 10,000 eggs; a twelve-inch lobster 20,000 eggs. If you notice the number of eggs doubles with every two inches of size. A fourteen-inch lobster will give you 40,000 eggs; a sixteen-inch lobster will give you 80,000 eggs. Now there is this peculiarity, that whilst a lobster may give you 20,000 eggs this season, the next season that it reproduces it might not give you that many. That is affected largely by climatic and other natural conditions. But the figures I have given you are the actual quantities obtained by actual tests of numbers of lobsters that can be fairly relied upon as being the average yield of lobsters of the various sizes that I have mentioned.

Q. I understood Prof Prince the other day to state that a ten-inch lobster would give 85,000 eggs?—A. I don't think so. I did not understand Prof. Prince to say that a ten-inch lobster would give 85,000 eggs. Of course scientists will vary in their estimate of the quantity of eggs that a given species of fish will produce.

Mr. CROSBY.—I do not suppose it will make very much difference.

The CHAIRMAN.—Prof. Prince stated that a sixteen-inch lobster caught at Wood's Hole, Mass., was examined and found to have 85,000 eggs.

The WITNESS.—That is proof, although I was not aware of the fact that these figures are correct because by our own test a sixteen-inch lobster would give about 80,000 eggs, and therefore a sixteen and a half-inch lobster would yield 85,000 eggs.

Hon. Mr. BRODEUR.—I might perhaps read what Prof. Prince said: 'one eight-inch lobster may have 5,000 eggs, a ten-inch, 10,000 eggs.' Those are some of the figures given by Prof. Prince.

Mr. CROSBY.—They are practically the same.

Hon. Mr. BRODEUR.—A twelve-inch, 30,000 and a sixteen and a half-inch lobster caught at Wood's Hole, Mass., in 1895, was examined and found to have 85,000 eggs.'

*By Mr. Crosby:*

Q. Supposing you have an eight-inch limit, so in fact we have now, could you tell how many of the breeding lobsters escape the fisherman?—A. There would be no possible way by which we could tell that, no possible way at all.

Q. Would you not recommend strongly a nine-inch size limit at least?—A. I do not think I would go as far, being under oath, as to say that I would only recommend a nine-inch lobster. In answering a question of that kind it must be remembered it has already been stated here that the present regulations limiting the size to eight inches will practically put the whole industry out of business, and if the regulations are changed so as to increase the size to nine inches it means that every lobster cannery in the industry would be out of business.

Q. I take it for granted that we have you here for the purpose of ascertaining not what will put the lobster canning industry or any other industry out of business, but what will keep the lobsters in business, to promote the production of lobsters so that we will not lose the business altogether. I would not think that the business end of the industry would have very much to do with your evidence here. What I want to



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get from you is your opinion with regard to the maintenance of our lobster fishery in a condition as complete as it is possible to keep it. Now for instance take the seven-inch lobster, you say its catch would deplete the industry?—A. It would.

Q. You do not give us what limit of time that would occur in?—A. No, I do not.

Q. I suppose it would be safe to say in the course of 25 years?—A. I would not like to state the number of years at all for a seven-inch lobster.

Q. You would not?—A. No, I would not.

Q. You have no information on the subject?—A. We have no information.

Q. Would you say that it would deplete the lobster industry in 50 years?—A. I think it would be safe to say that the industry would be depleted in 50 years or before that time.

Q. What would you say of 30 years? Because it is a matter of vital importance with regard to that to my mind. If we are going to deplete our lobster fishery in 50, 30 or even 20 years by the regulations under which fishermen are allowed to catch lobsters our lobster fishery will soon be gone altogether.

The CHAIRMAN.—I don't think you should argue with the witness, but ask him questions. We will give you an opportunity of discussing and making speeches later on.

Mr. CROSBY.—I don't know that I am making a speech. If the chairman says I cannot ask this gentleman—

The CHAIRMAN.—Ask him all the questions you please but don't express your own opinions.

Mr. CROSBY.—I am not expressing any opinion. I have none to give because I know nothing about the matter. I am here to try and learn.

The CHAIRMAN.—Well, that is what I want you to do.

*By Mr. Crosby:*

Q. I have asked Mr. Cunningham if the taking of seven-inch lobsters would deplete the lobster fishery in 20 years. He says he does not think it would. I then asked him if it would have that effect in 50 years, and he says he thinks it would in less time. I am trying to get at the time in which the depletion would occur.

The CHAIRMAN.—All right, go ahead.

Mr. CROSBY.—If Mr. Cunningham says he does not think he could say just what time the depletion would take place in, all right.

The WITNESS.—I would not like to state the number of years it would take to deplete the lobster industry but I say that the taking of seven-inch lobsters would most assuredly deplete the lobster industry much quicker than if there was a limit of eight inches. For the simple reason that it will take some  $8\frac{1}{2}$  millions more of seven-inch lobsters to keep up the present pack than it will of eight-inch lobsters. With the eight-inch lobster a much smaller percentage has had an opportunity of breeding than of the nine-inch, but for the protection of the lobster and for the perpetuation of the lobster fishery a nine-inch limit would certainly be in the interests of that fishery, there can be no question about that because that is a time when you can depend on a large percentage having reached the breeding stage.

Q. From your opinion with regard to the spawning of the nine-inch lobsters, that about 60 per cent of the nine-inch lobsters will spawn, that will seem to me to be about as close limits as you can fairly come to and expect the lobster industry to be kept up. Have you any knowledge of the conditions on the Newfoundland coast with regard to that?—A. No, we have no fish hatcheries in Newfoundland.

Q. Are you in possession of any information, or do you know what they are doing there, whether they have any supervision over the lobsters?—A. I do not know anything they are doing there, whether they have any supervision over the lobsters or not.

Q. As a matter of fact I think it would be well if we could get some officers of the Fisheries Department to communicate with Newfoundland upon that subject. I do not know whether they have any regulations there or not.

Hon. Mr. BRODEUR.—Mr. Venning, will you please take a note of that and have that information obtained?

*By Mr. Maclean:*

Q. I understand that the Commissioner of Fisheries for the State of Massachusetts has said that it is a biological error common to all countries to protect the small lobster?—A. Yes, that is right.

Q. The statement is made by Dr. Field:

‘Upon examining the lobster laws of all the States and of the maritime provinces, it was noticed that one glaring biological error is prominently common to all, viz: In every case the efforts are directed to protecting the immature, under the fallacious assumption that the fundamental source of the lobster supply is the young lobster which by growth will become of legal size for market; whereas, in point of biological fact, the fundamental source of supply is not the young lobster, which in and of itself alone is to furnish the market supply, but the search must be carried back one more step. It is the egg which is the ultimate source; and the future supply of young lobsters which by growth may be expected to furnish the marketable supply is at the basis dependent upon the number of eggs produced.’

What do you say about that statement and what justification is there for it?—A. This is a report on the State of Maine which covers Dr. Field’s remarks. With reference to that question, Mr. Maclean, Dr. Herrick has shown that the egg-producing capacity practically doubles three times in the growth from eight to fourteen inches, being for an eight-inch lobster, an average of 5,000 eggs; for a ten-inch lobster, an average of 10,000 eggs; for a 12-inch lobster, an average of 20,000 eggs; for a 14-inch lobster an average of 40,000 eggs, and a 17-inch lobster producing 63,000 eggs, the largest number recorded being 97,000, that is what he says. It was found that the female lobster became sexually matured when from eight to twelve inches long; the majority of all 10½-inch female lobsters are mature. In 100 dissections, 25 females were found from 9½ to 12 inches long which had never laid eggs, 25 per cent, and of the 17 immature six were 10½ inches or over in length, and in most cases the ovaries would not have become mature for two years. Of 2,602 egg-bearing lobsters collected by the *Egret* during the season of 1905 only 129 measured less than 10½ inches, 161 were exactly 10½ inches, 25 measured 10¼ inches, 63 were 10 inches, 16 were 9¾ inches, 16 were 9½ inches, three 9¼ inches, six 9 inches, which shows that the 9-inch lobster is the lobster which commences to reproduce.

Q. He bases his argument upon that, that it is a biological error to protect the small lobster?—A. Well, he bases his argument on the fact that the lobster does not reproduce until it is 9 inches, and theorizes that by protecting the 10-inch lobster and over you get a much larger percentage of eggs from that size of lobster that you can afford to catch the lobster between 9½ and 10 inches.

Q. What is your branch of the department doing in the way of studying the habits and lives of the fish, have you ever done any of that work?—A. We have never done any scientific work of that kind except such as has been done in the biological stations.

Q. But you cannot observe the habits of the fish, their life, or other features can you, very well in the biological stations?—A. In these stations it is being done, of course, by scientists, and I believe there is one scientist connected with the biological stations who has been doing work on Prince Edward Island the last two years in connection with the lobster business.

Q. Do you not think it would be a good idea to have officers of the Fisheries Department stationed along the Atlantic coast to study the lobsters during the season?—A. Yes.

Q. It might be possible to get some valuable information in that way, might it not?—A. That is the intention of establishing the biological stations. There is a

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biological board, of which Professor Prince is chairman, and I understand they are taking up the examination of different species of fish and crustacea each season.

Q. You favour the pounds, do you?—A. I favour the pounds and the hatcheries.

Q. Do you favour the pounds being operated by the department?—A. By the department.

Q. And not by private individuals?—A. Not by private individuals.

Q. Are you in favour of unrestricted canning licenses, or are you in favour of restrictions?—A. I cannot answer that question, because the issuing of those licenses comes entirely under Mr. Venning. I could not answer that.

*By Mr. Fraser:*

Q. You favour the 9-inch limit?—A. I think the 9-inch limit should be the limit for the protection of the lobster.

Q. Do you know that the present limit is not observed?—A. I know it is not observed; no, sir.

Q. What would be the result of enforcing that limit?—A. Well, most of the canneries in Prince Edward Island would be put out of business, but with a 6-inch limit it would be the same thing.

Q. Any limit would do it?—A. Yes, any limit would put them out of business in Prince Edward Island.

Q. Now, as to the seasons, are you satisfied that the time limits for fishing are satisfactory in the different provinces?—A. I do not favour a less close season than there is at present, but I think there should be a more uniform season covering larger areas. I think there are now nine different close seasons.

Q. Please look at the map? On the south shore of Nova Scotia there is a line which goes somewhere near Halifax. Is there any good reason why there should be different seasons along that shore? It seems to have the same exposure as in other parts of Nova Scotia. Do you think that the regulation as to the season there is a wise one?—A. That is from the 15th December to the 30th May. That was made there for the purpose, as I understand it, of protecting the live lobster trade.

Mr. CROSBY.—Encouraging it.

The WITNESS.—Yes, encouraging it.

*By Mr. Fraser:*

Q. Do you not think there are too many seasons around the coast now?—A. I think there are too many different seasons, yes.

Q. Do you know what effect these different seasons have upon the lobster market in Europe?—A. No, I do not know what effect they have.

Q. I am informed by lobster packers that where they have an earlier season they cannot very well put a price upon their lobsters until the pack in the later season is in because there may be a larger pack in the later season and the lobsters caught first will have to be sold according to the number taken later on. This difference in seasons has an effect upon the markets in Europe because they have to be regulated according to the catch during the later season. Would you be in favour of making the seasons more uniform?—A. More uniform? Yes.

Q. Would you also be inclined to make the size limit uniform?—A. The size limit is uniform now with the exception of three cases. In Charlotte County and Digby County, N.S., the limit is 9 inches. In St. John County it is 9 inches. In the Bay of Fundy including Kings and Annapolis Counties it is 10½ inches where they have the live lobster trade. In all the other parts of the coast, with the exception of Yarmouth County where they also have a live lobster trade, it is also 8 inches. There are five cases where the limit is 8 inches already.

Q. What would you recommend as the size limit in view of the fact that the present regulation is not observed, or what change would you recommend? You are aware that if you carry out the present regulation you will close all the factories almost. What change would you recommend or would you suggest any change?—A.



I have already stated that the present regulation of 8 inches strictly enforced with the assistance of the hatcheries and pounds will meet the case.

Q. But that will close the factories too?—A. To my mind any factory that cannot operate with an 8-inch lobster should be closed, if it is the intention that the industry should be perpetuated.

Q. Well, you will perpetuate the industry by closing all the canneries for a time, is that what you mean?—A. No, it will not close them all for a time. I do not think myself, with the exception of one or two areas, that it would close them all.

Q. What areas would close now if the present limit were enforced?—A. I think that Prince Edward Island would be affected.

Q. The canneries there would be all closed?—A. Prince Edward Island would be affected more than the other parts of the coast of the maritime provinces.

*By Hon. Mr. Brodeur:*

Q. For how many years would they be closed?—A. In order to answer that question, I will have to know what size limit there is now and what size they pack.

Mr. FRASER.—They pack all sizes.

Hon. Mr. BRODEUR.—The size limit under the law is 8 inches.

*By Mr. Warburton:*

Q. With regard to the lobster regulations and seasons, are you not practically compelled by climatic and ice conditions to have different seasons in different places?—A. In certain districts, yes.

Q. And also by the different conditions of the canning trade and the live lobster trade?—A. Certainly, more especially with the live lobster trade.

Q. For instance, you have an open season from December to May on the southern coast of Nova Scotia?—A. Yes.

Q. That would be of no use whatever in Prince Edward Island, would it?—A. No, not in Prince Edward Island, where your fishing season is from May 25 to August 10.

Q. The ice conditions there would prevent it beyond any question?—A. Yes.

Q. Owing to these conditions you have the different seasons?—A. Owing to the conditions as between the canning trade and the live lobster trade you must have different seasons, certainly.

Q. And that is the reason of the difference, is it not?—A. That has something probably, to do with it.

*By Mr. Fraser:*

Q. In the live lobster trade do they not also can the small lobsters?—A. No, there are practically no canneries where they have a live lobster export trade.

Q. Don't they pack the small lobsters?—A. I could not answer that; I am not sure exactly where the location of these canneries are and the extent of them.

Mr. FRASER.—I am informed they pack the small lobsters and ship the live lobsters away.

Senator ROSS.—I know they come to Halifax to be shipped to London from December 15 right on.

The WITNESS.—I could not say just exactly. I know that at the places I have mentioned the live lobster trade predominates.

*By Mr. Crosby:*

Q. My anxiety to get at the proper size limit is due to the fact that Mr. Baker stated here that only one lobster in 100,000 would spawn at 8 inches, and, therefore it might be just as well to adopt the 7-inch size limit as the 8-inch?—A. Well, the answer is this, that there is a saving of over 8,000,000 lobsters as between the pack of 7 inches and 8 inches. That is, that it takes eight and three-quarter millions less of 8-inch lobsters to give a pack equal to that of 1907 than it would of 7-inch lobsters.



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Q. That, of course, is a very important matter, but I am speaking now of the continuation of the lobster breeding. Speaking more particularly of that, I suppose there would be a great advantage between the 8-inch lobster and the 9-inch lobster in the product?—A. In the 9-inch lobster you would have about 60 per cent and in the 8-inch lobster practically nil.

Q. The only advantage we would have by an 8-inch limit would be that of a greater product from the lobsters themselves for commercial purposes?—A. Certainly for commercial purposes.

Q. That is the only advantage. So far as the continuation of the lobster-breeding and the lobster industry are concerned, we would be practically in the same condition almost if we made a 7-inch limit instead of an 8-inch, excepting this, that we would have a larger product from the lobsters?—A. You would have probably eight millions of 8-inch lobsters that would have a chance to reach maturity and of reproducing itself in the next year.

Q. The possibility?—A. The possibility of that, whereas the 7-inch lobster would have a much longer period to go before reaching maturity.

Q. Of course, it strikes me, if we are to have a limit at all we should have one which will be conducive to the propagation of the lobster?—A. That is why I say 8 inches, because there is a certain small percentage of 8-inch lobsters that will produce eggs.

Q. It is a very, very small percentage?—A. But there is a percentage.

*By Mr. Daniel:*

Q. In the Bay of Fundy the limit is 9 inches, is it not—that is the lowest limit, it is 9 inches and 10½ inches?—A. Yes, Charlotte County is 9 inches.

Q. Hon. Mr. BRODEUR.—Except a certain portion of Digby County, in which it has been recently reduced?—A. In Digby County.

*By Mr. Daniel:*

Q. Can you tell me from your data whether the lobster is increasing in numbers there, or whether it is decreasing—what is the condition of the lobster industry in that locality where the size limit is 9 inches and 10½ inches? Can you tell me whether they are increasing in numbers or are diminishing and whether the size of the lobsters that are caught is more satisfactory as far as the size is concerned, and what is the proportion of those over 9 inches, and the proportion that are right down to the limit of 8 inches?—A. I am afraid, sir, I would not be able to answer that question, because that comes more into the work of the department over which Mr. Venning has charge. My business is to deal with the breeding.

The CHAIRMAN.—Mr. Baker, do you want to ask a question?

Mr. BAKER.—No, I would like to say that with regard to the idea of having a uniform season that it would wind up disastrously for the live lobster business inasmuch as every portion of the coast would be practically shipping live lobsters at the one time, that is the way we would get a glutted market. Whereas if the season is divided as it is at present there is very little possibility of that except during the month of May when every portion is shipping. For instance, if during the month of June the fishermen from Halifax south, were shipping lobsters, when the Cape Breton people started in they would practically get nothing for their lobsters. The market is extremely sensitive to the supply.

Mr. CUNNINGHAM.—My view was given entirely, as I say, from a fish culturist's standpoint. Mr. Baker is speaking from the commercial end of it.

Mr. MACLEAN.—Perhaps Mr. Cunningham you may want to say something else before you leave the question?—A. Yes, I may explain how the lobster hatcheries are worked, that is the reason why I brought this model here. I might say, gentlemen, that this building is about 75 feet long and about 30 feet wide. The hatcheries are all worked by machinery, with a boiler and pump pumping salt water all the time, from the time the hatchery is opened, say about the 1st of May until in some cases,

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the 1st of July, and in others the 15th of July. A lobster hatchery must be constructed on the sea shore with fairly cold water to ensure a supply of pure water of sufficient salinity. The water is pumped by machinery into an elevated tank, which is connected with the hatchery apparatus in the interior of the building. The building itself is about 70 feet long and 30 feet wide. On the sides of the building a battery is constructed, which consists of a water supply trough, and directly underneath this trough is a smaller one, which acts as a receptacle for the young lobsters, as well as filling the purpose of an overflow trough for the water. On the sides of these troughs shelving is placed for the purpose of holding the glass jars which are connected with the upper or supply trough with a tap and rubber hose, the water passing through this hose and a glass tube with an uneven bell-shaped end, with sufficient force to keep up an even motion of the eggs in the jar. The jar itself is about 12 inches high and 10 inches in diameter, capable of accommodating some 250,000 eggs. As the lobsters hatch they pass from the jar into the under trough, following the current to its end where they pass through rubber hose which is connected with the larger floor or receiving tanks. Here they are kept until ready for distribution, the time of retention being governed by the temperature of the water. The hatcheries are in operation from the beginning of May to July in each year. The capacity of the buildings are practically unlimited, as the jars can be refilled with eggs as occasion demands.

*\* By Hon. Mr. Brodeur:*

Q. How many eggs do you put in this jar?—A. One of these jars will work about 250,000 eggs. The jars are refilled with eggs from day to day. A jar is, for instance, filled to-day and if a large portion of the eggs that it contains are hatched out it will be refilled to-morrow.

Q. How much time does it take to hatch them?—A. That depends entirely upon the season. If it is an early season and the eggs on the lobster will have reached a further stage of development it does not take so many days to complete the hatching in the hatchery.

Q. Where do you collect your eggs?—A. From the different canneries. The owner or manager of the cannery selects a good man who takes the eggs from the female lobsters as they are brought in. We supply trays on which the eggs are placed. They are then put in boxes and kept in a cool place until the steamer calls for them.

*By Mr. Jameson:*

Q. Where are the lobster hatcheries at present located?—A. There are six lobster hatcheries in operation on the Atlantic coast, one located at Shippigan island, one at Shemogue, Westmoreland county; one at Bay View, Pictou county; one at Canso, Guysborough county; one at Charlottetown, P.E.I.; and one just completed at Georgetown, P.E.I.

Q. How long has the oldest of these been in operation?—A. The oldest hatchery in operation is the Pictou hatchery, which was established in 1891.

Q. Has any methodical system been adopted for ascertaining the results?—A. Inquiries have been made, and round the county of Pictou it has been stated that the lobster industry is to a very large extent dependent upon the output of the hatchery from Pictou—

*By Hon. Mr. Brodeur:*

Q. Will you please give the dates on which the other hatcheries were established?—A. Pictou 1891, Shemogue 1893, Shippigan 1904, Canso 1905, Blockhouse Point, Charlottetown, 1904.

Q. And Georgetown?—A. Georgetown will be in operation this year.

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*By Mr. Jameson:*

Q. Then the results have been satisfactory so far as your information goes?—A. So far as we can ascertain the result from every lobster hatchery that we have got has been very satisfactory.

Q. You are familiar with the Bay of Fundy I suppose?—A. To a certain extent, yes.

Q. Do you think that a hatchery or a pound would be more satisfactory in supplying the waters of the Bay of Fundy with young lobsters?—A. For the live lobster trade?

Q. No, for propagating?—A. If for the canning trade, establish a hatchery; if for the live lobster trade, a pound; because the close season where the exportation of live lobsters is going on is too early to allow a sufficient number of lobsters to have extruded their eggs. Consequently in cases where the live lobster trade exists a pound would be the best.

Mr. JAMESON.—There is a great rise and fall of tide there. Would that interfere with the pounds?

Hon. Mr. BRODEUR.—With the pounds, yes.

The WITNESS.—Of course, it would make it much more difficult to construct your pound, that would be about the only difference.

*By Mr. Jameson:*

Q. What hatchery have you now which is supplying the waters of the Bay of Fundy with young lobsters?—A. We have no lobster hatchery on the Bay of Fundy at present time.

*By Mr. Maclean (Lunenburg):*

Q. How do you propose to keep these pounds stocked with lobsters, in the same way that Mr. Baker does?—A. To a certain extent in the same way as Mr. Baker does, buying the berried lobsters from the fishermen and releasing them when the close season commences.

Q. What will it cost a year to operate?—A. We have nothing in the department that will show the details of the cost of collecting these lobsters. Mr. Baker is about the only one who has any information, of course, he has been doing it for the last five or six years, but we have nothing on file in the department which will show the actual cost.

*By the Chairman:*

Q. What would you say to buying berried lobsters from the fishermen and releasing them without going to the expense of putting them in the pound at all?—A. They would simply be caught over again by the next fisherman that came along.

Q. Some of them would?—A. Most of them.

Q. Then buy them over again, how would that do?—A. That would be a very expensive operation buying them over and over again.

Q. That is what they are doing in the United States, is it not?—A. No, they buy the lobsters there and keep them in the pound and then sell them.

*By Hon. Mr. Brodeur:*

Q. Have they government ponds in the United States, or are they private ponds?—A. I can find no reference to a government pond, they have their hatcheries, and they buy them in connection with the procuring of eggs for the different hatcheries.

*By Mr. Crosby:*

Q. Before leaving this question I want to ask in reference to the question of locating hatcheries. There you have hatcheries, now how were they located? What inducements were there to locate them at those points, what were the particular facilities?—A. Various sites were inspected and the location of those hatcheries in the past



depended largely upon the location of the canneries. Where the lobster hatcheries are carried on and the eggs are collected during the fishing season, they must be located in the vicinity of a number of canneries, through which you can get the eggs. You see we do not do any lobster fishing ourselves, but depend very largely on the canneries for our supply of the eggs.

Q. That means that you locate the hatcheries as near the canneries as possible?—

A. That is, of course, consistent with the natural facilities for running the lobster hatchery.

Q. I had in mind a great basin that we have; I suppose you know the Bedford Basin at Halifax, where all the facilities of the Atlantic coast are to be found with perhaps the exclusion of as many sea-going fish as it is possible to find anywhere. There will be practically, not a total exclusion, but to a very great extent the sea-going fish will be excluded, and I had in mind the fact that a hatchery there would be perhaps more productive than at any other point by reason of the conditions?—A. The question is whether in the Bedford Basin the water is of sufficient salinity for the lobster. It takes  $2\frac{1}{2}$  ounces of salt per gallon for the lobster.

Q. We have just as much salt as there is in the ocean?—A. Of course, in a place like that the hatching facilities would be affected by the fresh water.

Q. I was going to suggest to the Minister whether it would not be worth while for one of the men in his department to investigate that, I do not know very much about it, but my idea is that the production from a hatchery in Bedford Basin would be very much more protected from the natural enemies of the young lobster while at the same time it would have all the facilities that it would have in any part of the ocean.—A. Where would you get your eggs around there?

Q. You would get your eggs along the coast. While there are no canneries in the immediate vicinity, we could get them elsewhere.

Mr. MACLEAN.—Where?

Mr. CROSBY.—My friend knows how quickly he can get to Halifax from Lunenburg.

Mr. MACLEAN.—You could not possibly do it; it isn't practicable.

Mr. CROSBY.—There are plenty of places within a short distance whence you could bring the eggs in by steamer very quickly.

Hon. Mr. BRODEUR.—How far is Bedford basin from the sea?

Mr. CROSBY.—The entrance of Bedford basin would not probably be more than four miles from the sea.

Hon. Mr. BRODEUR.—Not more than four miles?

Mr. CROSBY.—I do not think it will be very much more—four or five miles.

Hon. Mr. BRODEUR.—We will look into that; I will have Mr. Cunningham find out about it.

*By Mr. Fraser:*

Q. You have one hatchery established in Prince Edward Island?—A. Yes.

Q. Has that given satisfaction?—A. It has been giving very satisfactory results so far. I have the last report which we received from the officer in charge of that establishment; it has not been published yet—

Hon. Mr. BRODEUR.—You can give it.

A. He says: 'I am pleased to say that the packers report that small lobsters were never so plentiful as this year. They give as a reason for the scarcity of spawn that the lobsters were too young. The eggs hatched out in good condition and the cannery men state that the lobsters were never so plentiful as since the hatchery has had a chance to operate.

Q. You have another hatchery at Cariboo?—A. Yes that is the Pictou hatchery.

Q. Are you aware where the young lobsters go to after leaving the hatchery?—A. Many of them drift over with the tide to Prince Edward Island. If the result from one hatchery is good, it should be good from another.



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Q. I think the Blockhouse hatchery is a little too far inland; it is away up Hillsborough bay.

Hon. Mr. BRODEUR.—Do you think those lobster hatcheries are doing some good there?

Mr. FRASER.—Yes, I think they are, I think we are getting more from the Cariboo hatchery than from the Blockhouse hatchery; at least, that is the opinion on the island?—A. The information that we have from the packers all over, wherever we have hatcheries established, is that they are doing a great deal of good for the industry, and I think I may say that in talking with Mr. Baker, after the last meeting—he did not state it when giving evidence—but he spoke very highly of the lobster hatcheries. Am I right in stating that, Mr. Baker?

Mr. BAKER.—I think the lobster hatcheries are a necessity, and that they do a large amount of good, but there must be a great mortality among the embryo lobsters between the time they are taken from the hatcheries and the time they reach the open sea?—A. My information from the officer in charge is that they reach the water in good condition. I am sure I do not see why there should be a greater mortality from the distribution of artificially hatched lobsters than among those hatched naturally.

Mr. BAKER.—The only difference is this, that with the artificially hatched lobsters there is a great change takes place, it must be, from the time it leaves the hatchery until it is deposited in the sea. On the other hand, when taken from the lobster pound the embryo lobster does not leave the water at all, he is hatched under natural conditions, and pursues his way to the sea under natural conditions. Of course, I am not conversant with the subject of artificial hatching; I believe it to be a very good thing, but I believe the pound is a better process?—A. The natural process of reproduction is certainly better than artificial, that holds good in everything. But the percentage hatched by artificial means will, or should, more than make up for the loss in mortality as between artificial and natural.

Mr. BAKER.—The artificial hatch, I understand, is 95 per cent of the eggs; am I right?

*By Hon. Mr. Brodeur:*

Q. Just one point which I think has not been brought out during this investigation. You have been trying to propagate lobsters on the Pacific Coast?—A. Yes, sir.

Q. When did you start this experiment?—A. There have been three shipments of lobsters to British Columbia.

Q. When were the shipments made?—A. The first one was made about five years ago, the second, I think, three years ago, and the last one last year.

Q. What was the result of the two first shipments?—A. We have had no results from the first two shipments, that is there have been no extended arrangements made to gather data concerning them. The shipments, of course, were small and the coast is large. The lobsters would naturally spread all over the coast, and it was very difficult to know exactly what was accomplished.

Q. Where you in charge of those shipments?—A. No, sir, only the last shipment.

Q. The two first shipments were not made under your direction?—A. No.

Q. So far there as been no result from the first two shipments?—A. No, sir.

Q. What about the shipment made last year?—A. Regarding the shipment made last year, the lobsters were taken to British Columbia and placed in crates. They were kept in these crates for periods of from six weeks to about five months, to ascertain in the first place, if climatic conditions would allow the lobsters to survive there. At the end of the first three months about two-thirds of the lobsters were distributed in perfect condition. At the end of five months the balance were distributed, and at the present time we are making some attempts to see what has been the result since the liberation.

Q. They have been delivered in good condition?—A. They have been delivered in good condition, the best condition.

*By the Chairman:*

Q. Would you favour some actual experiments to ascertain how long it takes a lobster to mature and what the actual results are from our hatcheries?—A. I may say—

Q. Do you think it is practicable?—A. I may say that Mr. Venning and myself were discussing that point the other day, and a memorandum is now in course of preparation to be put before the Minister.

Mr. MACLEAN (Lunenburg).—You ought to have an experimental station.

*By the Chairman:*

Q. There is no way then that you could mark a lobster that you know of?—A. Not unless you caught him between the time of liberation and the time of moulting, before he shed his shell. So you see it would be pretty hard to tag the lobster.

I would like to say with reference to the collection of our eggs for the various lobster hatcheries, that a suggestion might be made that would be an improvement in that direction, and it is this: Under existing arrangements the manager or owner of a cannery appoints a man whose business it is when the berried lobsters are brought to the cannery to remove the eggs. The lobster so treated becomes the property of the owner of the cannery, and it goes into the boiler and becomes part of the commercial product. In that way we are taking the eggs from that matured lobster and getting no further use of her at all. Suppose her to be five years old. It takes five years for the progeny removed from that lobster to reach the same size as the parent. I would suggest that instead of continuing that process, we should buy the female or the berried lobster from the fisherman, remove the eggs by an officer of our own placed at the cannery, take the eggs to the hatchery and retain that female lobster in pound, or in crates if possible to do it, and liberate her when the close season commences. By that means we shall have a man who would give his time to see that the regulations were enforced at the cannery and perhaps two or three adjoining canneries, the fishermen would receive his money for the female lobster, and the industry would benefit from the results to be obtained from the liberation of that lobster, as well as from the hatching artificially of the eggs taken from her. As it is now the female lobster produces her eggs and goes to the cannery and we get no further use of her at all.

Q. Do you say that the removal of the eggs does not injure the health of the lobster, she is not destroyed? It has been stated that this kills the lobster?—A. Not if properly done. The eggs can be removed from the lobster without her being injured if properly done.

*By Mr. Kyte:*

Q. Who will remove those eggs?—A. Who will remove them?

Q. Yes?—A. An officer of the department who would be appointed for that purpose.

Q. I would imagine that would be an important matter?—A. Certainly it would be a most important matter. You protect the eggs and you protect the female lobsters. As it is now you protect the eggs and lose the lobsters.

*By Mr. McKenzie:*

Q. You have now seven or eight hatcheries altogether?—A. Yes we have five lobster hatcheries in the lower provinces.

Hon. Mr. BRODEUR.—Six.

The WITNESS.—Six, with the one in course of construction.

Hon. Mr. BRODEUR.—At Georgetown.

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*By Mr. McKenzie:*

Q. Would you think it good policy to have a pound or hatchery at every canning centre in Nova Scotia and New Brunswick, which are the only provinces in Canada, I believe, where the lobster is produced? Do you consider it good policy to have a hatchery or pound, as may be deemed best, at these centres?—A. Yes, sir. I think it would be better that we should have a larger number of lobster hatcheries, not large lobster hatcheries, but small ones and a greater number. There are seasons when you cannot fill a hatchery with eggs; there are other seasons when you can fill it up. It is better that a small establishment should stand idle than a large one, from motives of economy.

Q. How long have you been in the department in connection with fish-breeding?—A. I have been connected with fish-breeding since about 1888.

Q. Can you tell the committee whether the existing hatcheries were established by reason of the department itself reaching the decision that the place of location was suitable or by reason of requests coming from the different localities for the establishment of them?—A. They were established on the inspection of the several different localities. A report is made as to which locality and which site supplies the best natural facilities for the work to be carried on.

Q. Has the Antigonish and Inverness coast, that is on the Gulf of St. Lawrence side of Antigonish County, Cape Breton, been investigated with a view to the establishment of any lobster pounds or hatcheries there?—A. I do not remember any request having come in for a lobster hatchery in that section until recently.

Q. You are aware that is a lobster producing territory?—A. Yes.

Hon. Mr. BRODEUR.—Who made that request?—A. Dr. Chisholm.

*By Mr. McKenzie:*

Q. Dr. Chisholm has made that request recently?—A. Yes.

Q. Is there a different season between the Gulf and Cape Breton Island on the Atlantic side?—A. The season from Halifax Harbour east to Red Point, Cape Breton, does that cover the district?

Q. The district I speak of would be the district on the Gulf of St. Lawrence.

Hon. Mr. BRODEUR.—That is the next district?—A. That is from the 1st of May to the 31st of July.

*By Mr. McKenzie:*

Q. What does that cover?—A. 'Red Point, northwardly to Cape St. Lawrence, Cape Breton Island, as well as Anticosti Island and North Shore, Gulf of St. Lawrence, part of Richmond, Cape Breton and Victoria.'

Q. There is no pound or hatchery now anywhere on the eastern side of Cape Breton except Mr. Baker's pound?—A. That is all, sir.

Q. And the whole shore around Richmond County and on the Gulf of St. Lawrence, I think, and the east of Cape Breton is a lobster-producing territory?—A. Yes.

Q. Have you ever investigated those shores with a view of ascertaining the best place for a pound or a hatchery? That is taking the whole coast around Cape Breton, the northern and eastern side of the island?—A. No, there has been no special inspection made there with that in view.

Mr. MCKENZIE.—Well, with Dr. Chisholm, I would like to file a request with the Minister that that be done.

Mr. CUNNINGHAM.—Gentlemen, there is one thing that I would like to bring up, with the permission of the Minister, and that is this, it must be apparent that with these lobster hatcheries, as with anything else, the success of the hatchery depends very largely upon the man who is in charge of it. The men who are in charge of the lobster hatcheries should be educated men, intelligent men, and men who take a thorough interest in their business; men who are not satisfied just to hatch out the

lobsters and distribute them, and whose interest then ceases, but men who will follow it up and be able at any time to give the department all the information needed in the direction you have been speaking of. Our officers may now be of a little higher grade than many that we have had, we are educating them and they are, I must say, much improved to what they were.

*By the Chairman:*

Q. What do you pay them?—A. \$3 per day for the time the lobster hatchery is in operation.

*By Mr. Crosby:*

Q. How long is that?—A. That is a period, roughly speaking, of three months.

*By the Chairman:*

Q. What would you suggest?—A. I would suggest, sir, that we give these men an annual salary, say of about \$400 a year to start with, that would only increase the cost of the hatchery about \$60 a year, and we would then have an officer that we could utilize for other purposes, and a man who would take interest in his work all the year round. As it is now they only take an interest in it for the number of days they are drawing \$3 a day, and I think by having good officers, and we can get them by the means that I have stated, that the lobster industry will have a brighter outlook than the general circumstances tend to at the present time.

Hon. Mr. BRODEUR.—We have some officers by the year now?—A. No sir, they start when the hatchery commences and they get \$3 for every day.

Q. But we have some officers who were appointed by the year?—A. Oh yes, but I am speaking only of the lobster hatcheries now.

WITNESS retired.

Committee adjourned.



## APPENDIX No. 3

COMMITTEE ROOM No. 32,  
HOUSE OF COMMONS,

TUESDAY, March 23, 1909.

The Select Standing Committee on Marine and Fisheries met at 11 o'clock a.m., the Chairman, Mr. Sinclair, presiding.

The CHAIRMAN.—The Minister of Marine and Fisheries desires to ask Mr. Venning some questions before we call the other witnesses who have been summoned for to-day.

Mr. R. N. VENNING, Superintendent of Fisheries, called, sworn and examined.

*By Hon. Mr. Brodeur:*

Q. What is your present position?—A. Superintendent of Fisheries.

Q. How long have you been in the Department of Marine and Fisheries?—A. I have been in Ottawa since 1873.

Q. What position did you occupy when you first entered the department—that of ordinary clerk?—A. That of ordinary clerk.

Q. Your father was in the service?—A. He was Inspector of Fisheries for Nova Scotia and New Brunswick at confederation.

Q. So you have been bought up?—A. Somewhat with the fisheries.

Q. To a large extent with the fisheries?—A. Yes.

Q. You have also been Assistant Commissioner of Fisheries; when were you appointed to that position?—A. In 1903 I got that title.

Q. And Prof. Prince was then Commissioner of Fisheries?—A. Yes.

Q. At one time the Department of Marine and Fisheries had two deputy heads?—A. Yes.

Q. Will you tell us when that was done?—A. By Act of parliament, 47 Victoria, chapter 18, April, 1884.

Q. Then at one time there was a Deputy Minister for Fisheries and a Deputy Minister for Marine?—A. Yes, two departments were constituted by that Act—

Q. Under the same minister?—A. Yes, one to be called the Department of Marine, the other the Department of Fisheries.

Q. When was that organization terminated?—A. In 1892, and the departments were combined under one deputy. The then incumbent of the office of Deputy Minister of Fisheries was superannuated and Prof. Prince was appointed as scientific adviser to the Fisheries branch.

Q. And Commissioner of Fisheries?—A. And Commissioner of Fisheries.

Q. Was Prof. Prince in the department before that time?—A. Not before his appointment; he was brought out from the old country.

Q. Who was Deputy Minister of Fisheries from 1884 to 1892?—A. Col. John Tilton.

Q. And he was superannuated in 1892, you said, and the departments combined?—A. Yes.

Q. Or rather the two branches of the department were combined?—A. I might say, if I might be allowed to make an explanation, that the records, the books and the staffs have always been just as separate comparatively. We have our own books,

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our own registry, our own correspondence branch—everything complete, and always did have.

Q. For example, the records of the department are divided?—A. Into two separate branches.

Q. Into two sets?—A. The Marine and Fisheries branches have always been kept separate.

Q. The same with the accounting?—A. Yes, with the accounting. Of course, at one time we had a separate accountant, but afterwards we had a man in the Marine and Fisheries Department who looks after the accounts of the Fisheries end of the department.

Q. That man is Mr. Gilbert?—A. Yes, Mr. Gilbert is doing the Fisheries accounting work. Of course, he is an officer of the Accounts' Branch.

Q. He looks after the accounts of the Fisheries branch?—A. Of the Fisheries accounts and the Fisheries Protection vessels' accounts.

Q. The Commissioner of Fisheries and the Assistant Commissioner confer directly with the Minister of Marine and Fisheries, do they not, in most cases?—A. It used to be so, absolutely, at confederation. When Mr. Witcher was Commissioner of Fisheries he had absolutely all the Fisheries work, conferring personally with the minister on all occasions. Of course, after there was a separate deputy it was also distinct, but after the amalgamation in 1892, the work went more through the deputy than it ever had done before.

Q. These questions, Mr. Chairman, are perhaps not absolutely germane to the subject under discussion, viz., the lobster question, but in view of some questions which were previously put concerning the general organization of the department you will perhaps excuse me for questioning the witness on the same line?—A. I should have said that recently I have been consulting you on Fisheries matters.

Q. Is it not a fact that all questions of marine referred to the minister come direct through the deputy minister, but that upon technical questions affecting the fisheries the commissioner of fisheries confers directly with the minister?—A. Yes, with the minister.

Q. And the assistant commissioner does the same?—A. And the assistant commissioner too.

Q. You said that Prof. Prince had been looking after the scientific work of the fisheries branch. This year you have been more especially looking after the administration of the fisheries branch of the department?—A. Since 1895 Prof. Prince has devoted himself to outside work, especially to commissions and marine biology. I had all the international questions which arose as well as the interprovincial and the intercolonial questions: the bait difficulty with Newfoundland, the Behring Sea question, the Eastern fisheries question, and the difficulties with Russia over the seal fishery. Those I had absolute control of at one time. I had nothing else but those when they were most acute and I was taken from the routine fisheries business and put in charge of them.

Q. But since the decision in the Behring sea matter.—A. Since then I have been doing—

Q. You have been doing administrative work in the department?—A. And the other work as well.

Q. And Prof. Prince has been looking after the scientific part of it?—A. More particularly so since the fall of 1905. Of course, recently you have given me that work wholly.

Q. And a month or two ago a memorandum which has been read and filed was issued giving instructions from the minister to your branch of the service?—A. Yes, giving me the administrative work of the fisheries branch.

Q. Prof. Prince has been appointed International Commissioner under the Treaty of 1907, with the United States, and is supposed to devote the most of his time to the

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framing of regulations under that treaty and to certain other commissions appointed for the purpose of investigating the fisheries of different parts of the country?—A. That is my understanding of the way we are working now.

Q. He also gives his attention to the subject of biology. Coming to the question of lobsters, there was a commission appointed some years ago for the purpose of making inquiries into the lobster fishery generally and for the purpose of suggesting regulations for the preservation of that important fishery?—A. Yes, in 1898.

Q. That commission was composed of how many men and what interests did they represent?—A. The commission was composed of eight commissioners besides the Chairman, Professor Prince, and they were supposed, I understand, to represent different sections of the country.

Q. They were supposed to represent also the interests of the canners and the fishermen?—A. I do not know particularly that there was any actual representation in that sense. I think they were supposed to represent geographical areas, touching the whole of the lobster industry. I cannot say just now that there was any particular scheme of representation.

Q. Will you state the name and residence of each commissioner?—A. Mr. Nickerson, Clark's Harbour.

Q. In the western part of Nova Scotia?—A. The western part of Nova Scotia. Mr. Whitman, I think, of Canso.

The CHAIRMAN.—No, Guysborough.

The WITNESS.—Mr. Levatte, Cape Breton; Mr. Galant, Prince Edward Island; Mr. Patrick J. Sweeney. Mr. Sweeney I think was a Shediac man.

*By Hon. Mr. Brodeur:*

Q. For the northern part of New Brunswick?—A. Yes; for the Gaspé coast, Mr. Robert Lindsay, of Gaspé. The others were Archibald Currie, Prince Edward Island, Donald Campbell.

Q. From where?—A. Inverness, I believe.

Q. So there was one commissioner from the Baie de Chaleur, and the northern part of New Brunswick, two from Prince Edward Island, two from the Island of Cape Breton and one from—?—A. Gaspé county.

Q. One from the Guysborough district and one from the western part of Nova Scotia. Was there no one from the Bay of Fundy district?—A. No one from the Bay of Fundy district.

Q. I thought there was one. Well that commission made its report and recommended the dividing of the maritime provinces into districts as far as close seasons and size limits are concerned did they not?—A. Yes.

Q. How many close seasons were suggested?—A. The commission suggested five.

Q. Will you show upon the map those different close seasons?—A. If you will trace the whole gulf shore of the St. Lawrence, the island of Anticosti, the Magdalen Islands and the Atlantic coast of Cape Breton Island from Cape North to St. Peters, you will find that one section with an open season extending from the 1st of May to the 1st of August and a size limit of 8 inches.

Q. Yes?—A. Then if you will trace from the boundary line of Passamaquoddy Bay, Charlotte county, the whole way round the coast of the Bay of Fundy, down the Nova Scotia side and round the western coast of Nova Scotia to Halifax harbour you will have another section with an open season from the 15th December to the 30th May and a size limit of 9 inches. Then take D section which consists of that little piece in the Northumberland Straits between—

Q. Between Cape Traverse and Summerside?—A. Yes, that is from May 25 to August 10. There was a recommendation for this section of a size limit of 7 inches but it was never carried out, 8 inches was the minimum. Then from Halifax harbour to St. Peters, Cape Breton, April 1 to June 30, size limit 8 inches, and the rest of the coast of New Brunswick, along Prince Edward Island and a portion of Nova



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Scotia and along the Straits of Northumberland there was an open season from April 20 to July 10 and an 8-inch size limit.

Q. That was the report of the commission?—A. Yes, that was the report of the commission.

Q. Will you say if the regulations based upon that report were different from the report itself and in what the difference consisted of?—A. Well the report, of course, became the subject of consideration between the chairman and the minister and a set of regulations which is really the basis of existing regulations was made. Since then there has been some few changes in some of the districts, for instance around the Bay of Fundy and Magdalen Islands.

Q. State the nature of the regulations which were then passed and the number of close season districts that were formed?—A. At that time?

Q. Were there more than five?—A. I have only got the revised regulations.

Q. Which were passed?—A. Yes, and they do not go into the different stages. This is not exactly a revision it is a compilation.

Q. But the revised regulations of last year were based upon the regulations which were adopted after the report of the commission of 1898?—A. As well as any changes which have been made in the meantime.

Q. Since these consolidated regulations have been put into force have any changes been made. If so, state what the changes are?—A. The only change since the consolidation of the regulations was the change in St. John county.

Q. Then there have been no changes in the close season districts?—A. Not in the close season district.

Q. Were not these close season districts generally approved or accepted by the interested parties?—A. They have been. We have had very little complaint against the geographical distribution.

Q. You say very few complaints have been received?—A. I might say scarcely any.

Q. Now as to the size limit, how many sizes were determined upon by the regulations of 1898 or by the consolidated regulations?—A. Ten and a half inches, nine inches and eight inches.

Q. The ten and a half inches size limit was established in the Bay of Fundy?—A. In the Bay of Fundy. In the district bordering on the counties of Kings and Annapolis the size limit is 10½ inches, nine in St. John and Charlotte counties, New Brunswick, and nine in Digby county except in the Bay of Fundy portion where it is ten and a half inches. In Yarmouth county, and around the Atlantic coast to Halifax harbour nine inches; Halifax harbour to East Point, Cape Breton, eight inches; Red Point northerly to Cape St. Lawrence, Cape Breton, eight inches. All the rest of the coast is eight inches.

Q. The lobster trade was divided into two sections, was it not?—A. Yes, into the canning interest and the sale of live lobsters.

Q. The size limits which you have just been giving have they any relation to either of these divisions?—A. Yes. For instance, the size limit in the Bay of Fundy is largely determined by the fact that very little, if any, canning is done there, whereas there is a considerable trade in live lobsters with the New York and Boston markets. Along the western coast of Nova Scotia also the 9-inch limit prevails and that is due to the fact that there is a large trade in live lobsters going on with Boston.

Q. Is there any great difficulty in carrying out the regulations in the districts where the live lobster trade is in operation?—A. Not so much as in the canning districts, they are more easily handled.

Q. There is no difficulty in carrying out the regulations in regard to the close seasons for example?—A. No, in regard to the close seasons we do very well.

Q. Generally the lobster canneries are closed with the close season?—A. That is true. Comparatively speaking there is very little violation of the law. We have broken up thousands of traps on the coast that were set out of season.



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Q. A great deal has been said with regard to the lack of observation of the lobster regulations. Is it with regard to the size limit regulations that the observance has been more or less lax?—A. The size limit, of course, presents the greatest difficulty and trouble to the department and its officers. There are a great many different views taken with regard to this question. I think I may say it is a fact that the size limit is not really enforced as it might be or could be.

Q. In the districts where the lobsters are canned?—A. Yes.

Q. Do you experience the same difficulty in the districts where the live lobster trade exists?—A. No, we can readily carry out the law with regard to those districts. I might explain that the position of the canner is that unless he buys from the fishermen all that the fisherman brings him the latter will sell his lobsters to somebody who will buy them, and the fisherman will not give the canner legal lobsters unless he takes all he has. It is putting one against the other. The lobster packer says he is compelled to buy small lobsters and the fisherman won't sell them unless he gets the packer to take them all. So that, of course, the lobster packer is the man to look after to strictly enforce the law.

Q. Could you give the committee statistics showing the value of the lobster trade in the different parts of the maritime provinces?—A. I could give you some statistics.

Q. Could you give us them by counties?—A. I have got the figures by provinces but I can give them to you by counties afterwards. I have prepared a statement covering a period of 11 years. The reason for taking that period is that it comprises the year prior to the 1898 lobster commission regulations and the next 10 years up to 1907. We have not got the statistics for any later period than that.

Q. Please give the committee the figures you have?—A. Before doing so, I might say that I do not take the pessimistic view that a great many people are taking with regard to the lobster fishery. I do not consider that the lobster fishery is anything like destroyed and I do not think it is within reasonable reach of destruction. I do appreciate that probably the time has come when the most persistent effort should be made to continue to preserve the lobster industry; but that the fishery is a thing of the past and that we have now to take some very drastic measures to bring it back to life again does not seem to be at all a correct view, in my opinion. I think the figures which I am about to read will substantiate that view. The pack in 1897 amounted to 11,130,554 cans. The live lobster trade was 251,831 cwt. In 1898 the pack amounted to 10,732,594 cans.

*By the Chairman:*

Q. One pound cans?—A. One pound cans. The live lobster trade in that year was 348,354 cwt; in 1899, 10,495,610 cans and 154,598 cwt. live lobsters; in 1900, 10,548,291 cans and 189,139 cwt.; in 1901, 10,056,604 cans and 164,195 cwt.; in 1902, 9,350,121 cans and 142,034 cwt.; in 1903, 10,604,158 cans and 109,527 cwt.; in 1904, 10,762,288 cans and 111,048 cwt.; in 1905, 10,497,624 cans and 151,014 cwt.; in 1906, 10,104,764 cans and 101,370 cwt.; in 1907, 10,660,570 cans and 97,490 cwt.

*By Mr. McKenzie:*

Q. The cwt. in each case means the weight of live lobsters?—A. It refers to the live lobster trade. There we have a period of 11 years, and in each case the figures amount to about ten millions, in one case amounting to over eleven millions.

*By the Chairman:*

Q. Have you any figures showing the increase in the quantity of gear used, that would be important, would it not?—A. Yes, that would be. I have a statement here of the number of canneries operated and traps fished in Canada from 1897 to 1907, inclusive.

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Q. How do the numbers of traps correspond?—A. The total number of canneries operated in 1897 was 731 and the traps numbered 1,156,352. Eleven years afterwards, in 1907, the total number of canneries operated was 685 and the number of traps 1,340,731. So the statement that there is 10 times the gear used than formerly, and all that sort of thing, is not correct.

*By Mr. Maclean (Lunenburg):*

Q. How did you get those statistics?—A. We got them from the canneries and from our officers. The lobster statistics are probably the most reliable we get.

*By Mr. McKenzie:*

Q. Is there an increase there and how much is it?—A. There is an increase in the number of traps from 1,156,352 to 1,340,731, an increase of about 200,000. There is an increase of that number only in 11 years, whereas we were told that there is 10 times the amount of gear now in use compared with formerly.

*By the Chairman:*

Q. Has the number of fishermen decreased?—A. I could not tell you whether the number of fishermen has decreased or not. The difficulty about getting the number of lobster fishermen is that everybody is a lobster fisherman. The farmer fishes, and apparently everybody in the neighbourhood. I dare say there are more people fishing lobsters than there used to be.

*By Mr. Maclean (Lunenburg):*

Q. The important thing in connection with these figures would be the total amount invested and the fact that the cwt. was made up of smaller sized lobsters than was the case 10 or 12 years ago?—A. Yes, that is a fact. It is very singular, but if you take Prince Edward Island, I am told by those who know what they are talking about, or should know, that as a matter of fact, larger lobsters have been caught on the coast of Prince Edward Island during the past five years than were taken five or ten years ago.

Mr. WARBURTON.—That is on the north shore, I think, Mr. Venning?

The WITNESS.—Yes, I believe so, but generally speaking the information is correct. Now, take Prince Edward Island, and that is a place which is probably more fished than any other section—the Island is probably more fished for lobsters than any other single place on the coast except perhaps one county in Westmoreland—I am going to read the figures from 1897 to 1907: 1897, 2,466,682 cans; 1898, 2,342,020 cans; 1899, 2,421,444 cans; 1900, 2,223,712 cans; 1901, 2,386,070; 1902, 2,039,603; 1903, 2,335,400; 1904, 2,501,100; 1905, 2,182,624; 1906, 2,289,288; and the last year for which we have any statistics, 1907, 2,839,489. The last year was the largest of the eleven. If we take the province of Nova Scotia there is a small falling off. Nova Scotia began in 1897 with 5,214,266 and in 1907 the pack was 4,270,346.

Q. Give the figures for Nova Scotia according to the different districts?—A. I can go through the report and do that.

Hon. Mr. BRODEUR.—Can you compile a statement by counties?

Mr. TODD.—If you do, please don't confine it to Nova Scotia.

The WITNESS.—I think I can do that.

*By Mr. Maclean (Lunenburg):*

Q. I think it would be more interesting to have it by districts than by counties?—A. I can give it in that form.

Hon. Mr. BRODEUR.—Do you mean by close season districts?

Mr. MACLEAN (Lunenburg).—Yes.

Hon. Mr. BRODEUR.—According to the close season?

Mr. MACLEAN (Lunenburg).—By districts, yes.

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*By Hon. Mr. Brodeur:*

Q. Will you please prepare the statement that way?—A. By districts according to the close season? Yes, I can do that.

*By the Chairman:*

Q. This information will be correct because you got it from the canneries?—A. We got it from the canneries and I think we can rely more upon the lobster statistics than any others.

Q. Do the canners make sworn return?—A. I don't know that the returns are sworn to but they are got accurately from the canneries.

Q. Are these cases stamped under the present system?—A. Yes.

Q. Is that any check upon the number of cases?—A. The stamping, yes.

Q. Then we have a check on the number of cases?—A. Yes.

*By Mr. MacLean (Lunenburg):*

Q. You are Commissioner of Fisheries are you not?—A. No, I am the Superintendent of Fisheries and have been doing the executive or administrative work of the Fisheries Branch for some time.

Q. It may be a little removed from our inquiry but do you think anything could be done to improve our annual statistics? Have you ever considered that?—A. We have not only considered it but there is a movement on foot to do it.

Q. That is very good? A. It is my intention this year to improve them very materially. If I will not be able to do it for the year just passed, certainly during the current year I will have the machinery at work which will materially improve our statistics.

Q. Then they will be in a more elaborate form?—A. They will be given in a more elaborate form and perhaps in bulletin, I don't know yet. I will have to get considerable help before I can perfect what I have in mind and what I have actually started.

Q. Are you adopting any particular system?—A. No, but I think I would extend our present plan or arrive at the details in such a way that it will be much better. I have also in mind better Fisheries Intelligence Bureau work which can be utilized for statistical purposes afterwards.

Q. In connection with what?—A. Catches along the coast and districts from time to time which might form, if we can work it up right the subject of bulletins from time to time assisting the fishery trade and forming afterwards the basis of a better class of statistics.

Q. Including also market quotations?—A. Things of that kind, yes.

Q. How long have you been in the Fisheries Department?—A. I came to Ottawa in 1873, I have been here ever since.

Q. Some years ago you were engaged in International matters were you not?—A. Yes, from about 1888. For about four or five years immediately following 1888 my time was nearly all taken up in connection with the International questions that had arisen in the Department over the Behring Sea question and seizures of sealing vessels by Russia.

Q. It would seem that no experimental work has been done in connection with the lobster in Canada?—A. Experimental work?

Q. What I mean is Prof. Prince has been here a good many years and as a scientific man there does not seem to be any reason why he should not take lobsters from the sea, say about 10½ inches in size, and follow up their habits and learn accurately things about the lobster that we do not at present know. We have no such experimental work at present have we?—A. We have not had that experimental work. I think it would have been better to have had it.

Q. Don't you think it would be valuable to have it?—A. Yes, I think it would.

Q. It would not be an expensive matter to carry out?—A. I might say in jus-



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tice to Prof. Prince, or anybody who may have had that work in hand, that it could be much more readily done now than ever before because the minister has been good enough to grant us some money during the last few years towards biological stations, where, as a matter of fact, I think they have really begun to make some investigations into the life of lobsters and sea fishes.

Q. You propose taking that up?—A. I propose discussing that question with Prof. Prince and trying to advance it as far as possible.

Q. I heard somebody make the suggestion yesterday that the life of lobsters depended very largely upon the depth of water along the coast, that where you find shallow water around the coast the lobsters are more easily captured and, therefore, the fishery more easily extinguished?—A. I have no scientific knowledge of that question but from general discussion—I have some knowledge on the subject—it does seem to be the prevalent opinion that the lobsters when they seek the shore are more readily taken, and that the lobsters some distance off shore are larger. Of course, the gear for catching lobsters in 20 or 30 fathoms of water would be somewhat different from that used in fishing in-shore.

Q. In Prince Edward Island where the waters along the shore are shallower than they are in Nova Scotia, the lobsters are more easily taken and consequently there has been a more pronounced diminution?—A. It might be so. I think notwithstanding what I have said here about the lobsters not being in any dire state of decimation, there has been a tendency for the lobsters to decrease, generally speaking, in size. You will find whenever you exploit any virgin fishery you will get a larger fish at first. That is necessarily so.

Q. But is there not a greater chance of that occurring in a place where the coast is shallow?—A. Without doubt.

Q. Than at any place where the water is deep?—A. Without doubt I should say so.

Q. Ought that not to be studied carefully because we may be attributing to other causes a decrease in the size of lobsters which may be due to this cause?—A. Yes, that would certainly be a subject for the consideration of whatever scientists take this matter up. I have had it advanced to me by people, who have lived all their lives on the coast that there are larger lobsters out in the deeper waters and that accounts for the supply being kept up as the smaller ones crawl in shore. Some lobsters have been taken very many miles out in deep water.

Q. You will get them off the Newfoundland banks?—A. Yes.

*By Mr. Warburton:*

Q. The very large lobster cannot get into the fisherman's traps.—A. No, not into the traps that are made now, that is to say the very large lobster.

*By Mr. Maclean (Lunenburg):*

Q. Has the importance of the food supply for lobsters been studied very much?—A. No, I do not think so, I do not think there has been any concerted action. Of course, the lobster is called a scavenger. It eats anything that is dead, anything that it can catch and the stronger flavoured the better for the lobsters they say. At all events they take old herring and use them for that purpose.

Q. What I had in mind was—A. The natural food?

Q. The want of some natural food in some parts of the maritime provinces might account for the absence of lobsters that people are attributing to some other cause. That would form part of the scientific researches we have reference to, and for which the Canadian government has never provided sufficient equipment, as has been done in the case of the United States Fish Commission. In the United States steamers and staffs of scientists are provided to go around looking into all these matters. Of course, naturally enough in this country we have got to begin in a small way. We



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have begun with a biological station, which has in hand some very important and most interesting investigations. They have commenced to study the lobster fishery at the station at St. Andrew's, which was taken up for a portion of last year.

Q. You mean biological work?—A. Yes, biological work is carried on at the station where the life history and the food of different marine animals is investigated.

*By Mr. Todd:*

Q. Is it not your opinion that in the summer season, when the lobsters come in-shore and are caught in shoal water the catch is larger than at other periods of the year?—A. I scarcely think so. I have been told in moving around amongst people closely identified with the lobster fishery that the early spring catches when really the water is not what you would call warm are really the best catches; that the lobsters are coming in then. There may be some fluctuation, but I don't think there is any particularly heavy run during the summer. I think the spring catch is always the best.

Q. The range of the lobster, as far as information goes at present, is only about 100 miles, is it not, and that lobster will change its location?—A. People talk about that, but I am not aware that they know so very much about it. I have heard the opinion expressed that the Magdalen Island lobster travels to Prince Edward Island, but I do not know that it has been proven by scientific research.

*By the Chairman:*

Q. Do the lobsters migrate from the shore in the winter time?—A. They go out into deep water.

Q. They go out to sea?—A. They go out from the ice.

Q. They do not leave the coast altogether?—A. No. They come in again.

*By Mr. Fraser:*

Q. Do I understand you to say that the catch of lobsters in Prince Edward Island last year was larger than in any previous year?—A. No, I did not say that. I say that statistics covering a period of 11 years show that the catch in Prince Edward Island was larger last year. I think I stated that.

*By Mr. Warburton:*

Q. In 1907 the catch was larger?—A. In 1907 the lobster catch in Prince Edward Island was larger than in any one of the 10 previous years.

*By Mr. Fraser:*

Q. Notwithstanding that the size limit has not been observed very particularly?—A. Notwithstanding all that the people can do to kill the lobster. That is quite true.

Q. Are you aware that on the southern and eastern coasts of Prince Edward Island the lobsters are smaller than on the north shore?—A. I know that has been stated on very many occasions. Whether it is absolutely correct or not I would not care to say at present.

Q. Do you know any reason they attribute for that?—A. No.

Q. I might tell the Committee that the people who live on the southern and eastern shores thinks this is owing to the small lobsters coming over from the Cariboo hatchery and the other hatchery on the southern side of the island?—A. I have never heard that so attributed, but inasmuch as you have raised the question I will say that when I went down to the maritime provinces in the fall of 1907 looking into the lobster business I heard from a great many people there that a very large number of small lobsters had been noticed on the coasts in the vicinity of the lobster pound

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and the lobster hatcheries, and that the fishermen attributed the presence of these little lobsters of almost uniform size entirely to the work of the hatcheries and the efforts at breeding the lobster.

Q. Well in 1907 was there any increase in the number of—

Hon. Mr. BRODEUR.—If you will allow me. In the western part of Prince Edward Island have you noticed the same thing there with regard to these small lobsters?

Mr. FRASER.—I have not heard, sir, I don't know.

Hon. Mr. BRODEUR.—Have you got any information about it, Mr. Warburton?

Mr. WARBURTON.—That is in Prince county. There are no hatcheries up in that end of the Island.

Hon. Mr. BRODEUR.—Take near Charlottetown?

Mr. WARBURTON.—They are catching a great many young lobsters in the neighbourhood since the hatchery has been established.

*By Mr. Fraser:*

Q. I was going to ask, Mr. Venning, if there was any marked increase in the amount of gear or the number of traps used in 1907 or in recent years?—A. In Prince Edward Island?

Q. Yes?—A. In Prince Edward Island in 1897 there were 216,133 and in 1907, 305,990. So you see there was an increase in the latter year as compared with the former.

Q. Has there been any marked increase in the number of licenses issued by the department?—A. In the numbers of canneries operated?

Q. Yes?—A. In Prince Edward Island in 1897 there was 220. The number of canneries operated in 1907, 11 years afterwards, was 184.

*By Hon. Mr. Brodeur:*

Q. A reduction?—A. A reduction.

*By Mr. Fraser:*

Q. What year did the regulations in regard to cannery licenses come into force?—A. There never was any regulation, Mr. Fraser, it was simply a policy which grew up as considered to be a necessity in the endeavour to keep the pack down.

*By Mr. Maclean (Lunenburg):*

Q. Is there not a regulation?—A. There is not a regulation providing that no further licenses shall be issued.

Hon. Mr. BRODEUR.—It is a question of departmental action.

The WITNESS.—It is the Minister's policy, it is in his power to refuse or grant a license. You asked how long ago it was brought into force. I should say that about 5 or 6 years ago it began to take actual shape.

*By Mr. Fraser:*

Q. Can you tell the Committee how many new licenses have been issued during the last four or five years?—A. New licenses for the last four or five years?

Q. Yes?—A. There has not been a new license for the last four or five years except quite recently.

*By Hon. Mr. Brodeur:*

Q. On the co-operative plan?—A. On the co-operative plan. Shall I explain that?

Q. Yes, you may?—A. Well the department took the ground that there were enough lobster factories being operated on the Atlantic coast and generally followed

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the policy of not increasing the number. There were many complaints made by the fishermen that they did not get fair treatment from the packers, that the packer fixed his price for lobsters, and that they could make more money out of their lobsters if they had the opportunity of canning them for themselves. Accordingly the Minister adopted the policy last year by which if a number of fishermen ranging all the way from 30 to about 15 chose to club together and ask for a license on the co-operative principle by which they agreed to share losses and profits alike, and to be allowed to take their lobsters and pack them the license to be held by one of their number named by the petitioners, that a license would issue to them. Of course, they represented they could not get their lobsters satisfactory packed in any other way and a few of this class of license were issued; but they contain a clause stating that if operations were not carried out on that plan the licenses would not be renewed and would be cancelled.

*By Hon. Mr. Brodeur :*

Q. In Prince Edward Island I do not think there are any fishermen's unions such as there are in Nova Scotia formed under the law?—A. There are three in Nova Scotia.

*By Mr. Kyte*

Q. Will you state where these licenses are?—A. There are two in Guysborough county and one in Queens county, two in Westmoreland, N.B., and in Prince Edward Island seven.

*By Mr. Fraser:*

Q. Are the persons who obtained these licenses supposed to be bona fide fishermen?—A. So far as it was possible for the department to ascertain through the reports which were invariably called for from our local inspector and officers on the spot. They have been represented to us as being bona fide fishermen and that their co-operative arrangement is bona fide also. The local inspectors have strict instructions—I gave them myself to each man—to follow up these licenses and see that they are operated in accordance with the terms upon which they were granted and they have to report immediately to the department.

*By Mr. Warburton:*

Q. I know some of these cases because the petitions were forwarded to me and I knew that a great many of the fishermen were bona fide men?—A. Yes, but notwithstanding that, the local inspector has instructions to watch carefully and see that there is no breach of the terms of the license otherwise the minister will cancel it.

Q. The year 1908 was the first year these licenses came into force?—A. The first year they were issued. There were so many complaints—in fact some of the complaints were that the fishermen could not get their lobsters packed at all by the canners, the canner would not take them and some fishermen lost their catch of lobsters because they did not have a license to pack them.

Mr. FRASER.—The minister stated awhile ago that there was no union in Prince Edward Island, I think there is one.

Hon. Mr. BRODEUR.—I mean incorporated under the law. Is there any?

Mr. WARBURTON.—Not incorporated.

Mr. FRASER.—I don't know whether it is incorporated or not.

Hon. Mr. BRODEUR.—What I meant was that in Nova Scotia they have got a law providing for the incorporation of fishermen's unions. Each union of this kind becomes a corporation by itself. I was not aware of any such law in Prince Edward Island.

Mr. FRASER.—I think the minister is right. I do not think there is any incorporated union in Prince Edward Island. They have some sort of a union there and



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I have a communication from the secretary of it, Mr. D. G. McCormack. This union have passed a resolution which they asked me to present to the committee. With the committee's permission I will now read it (reads): 'Resolved, That the enormous and increasing quantity of lobster fishing gear in our waters is ruining the industry. Therefore, resolved that this union petition the government to limit the number of traps to each factory.'

Mr. WARBURTON.—Where is it from?

Mr. FRASER.—It is signed by Daniel G. McCormack, financial secretary of the Fishermen's Union at Launching. That is near Georgetown on the eastern coast.

Hon. Mr. BRODEUR.—In your county?

Mr. FRASER.—Yes.

The CHAIRMAN.—Is that the practical proposal, Mr. Fraser, do you think?

Mr. FRASER.—I don't know.

Q. Have you received any such petition?—A. Nothing has come to me yet.

Hon. Mr. BRODEUR.—I am not aware of any but if any such petition did come to me it must have been referred to the Fisheries Branch.

The WITNESS.—I have not had anything yet.

Hon. Mr. BRODEUR.—Will you put the document on the file.

Mr. FRASER.—Yes, I will hand it in.

Q. Mr. Venning, you heard a witness say here that it took 9 lobsters to fill a can? —A. Nine 7-inch lobsters I think the witness said.

Q. What is the price of a can of lobsters, generally speaking?—A. I know that when I want to buy one I have got to pay 40 cents for it.

Q. Supposing you wanted to buy live lobsters?—A. If I wanted to buy one large lobster it would cost me about 25 cents a pound, perhaps 30. That is for a 9½ or 10-inch lobster it would cost me about 30 cents, perhaps more. I have not bought any this winter, but that was the price I had to pay for them last winter.

Q. If we were to get into the shipping of live lobsters from eastern waters to Upper Canada, do you think it would be profitable?—A. I think it would be profitable. I advocated with some of the canners that instead of boiling the lobsters as they do in canning them, they should go into such a trade as you speak of, but they do not land them here in a fit condition. You go to a grocery here and see half a barrel of cooked lobsters and they are all as they are taken out of the boiler with the scum on them and you cannot touch them with your hands. If you do you will need to wash your hands five or six times afterwards.

Mr. MACLEAN (Lunenburg).—Mr. Fraser is talking of the shipment of live lobsters.

*By Mr. Fraser:*

Q. Yes, the shipment of live lobsters?—A. Well, I think this market is not a good one for live lobsters. In the first place it does not occur to me that live lobsters brought to Ottawa would be in a good condition. Perhaps I had better put it this way; I prefer to have a boiled lobster, properly shipped from the place where it is boiled, than to have a live lobster sent to me to boil. A great many people do not agree with me in this, but my opinion is that an animal or fish that is taken out of its natural element and carried a long way cannot but be sick. That animal is cooked in that condition and cannot be as good as an animal that is cooked fresh out of the water. I think a good trade in lobsters could be developed if the lobsters were properly cooked and packed. They ought to be carefully boiled, carefully washed after boiling, packed in oil paper and put in boxes as is done with fruit, and sent up here in a clean condition. If that were done I think there would be a good trade.

*By Mr. McKenzie:*

Q. After they are boiled they require no particular measures to serve them?—

A. I mean to say that at present they are dumped right out of the boiling pot with the scum on them.



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Q. I mean the way you spoke of?—A. All they would want is to be put in cold storage and they would keep as long as was necessary.

*By Mr. Maclean (Lunenburg):*

Q. We send live lobsters from Nova Scotia to Chicago and they even go as far as Cincinnati and Denver?—A. Yes, I have seen them sent from Boston to Denver. I have also seen them very lively in my office after having been 14 days out of the water.

*By Hon. Mr. Brodeur:*

Q. Do you not think that by means of the improved transportation system we are having carried out, live lobsters can be brought from the Maritime provinces to Montreal without any trouble?—A. They ought to be brought to Montreal without any trouble.

Q. Since you are on that point would you kindly explain what arrangements have been made for transporting fresh fish from the maritime provinces to the centres of consumption in Canada?—A. Yes, the department undertook a little while ago to improve the transportation of fresh fish.

Hon. Mr. BRODEUR.—Perhaps we might get a statement from Mr. Found on that subject.

The CHAIRMAN.—We will hear him a little later on.

Mr. MCKENZIE.—You had better take him after you are through with Mr. Venning.

The WITNESS.—I might say that in addition to the fast freight service which we have provided for we have arranged with the two express companies to give to the fishermen and the shippers of fish a regular express service at two-thirds of the regular rate. The companies collect two-thirds of the regular express rate from the fishermen or shippers, and the department guarantees and pays them the other third. This enables them to bring their fish into Montreal at \$1 per hundred pounds. Now, the best rate at which that can be done from the Boston market into Montreal is 80 cents with an added dollar per hundred duty, so that our fishermen can now land their fresh fish in Montreal at \$1 as against \$1.80 for United States fish. That is what our people have always been asking the department to do, to give them transportation at figures which would enable them to compete with the Americans and thereby retain the trade in our own hands.

*By Mr. Maclean (Lunenburg):*

Q. What is the duty on fresh fish going into the United States?—A. One cent a pound.

Q. On fish entering Canada, what is it?—A. It is one cent a pound on fish coming from the United States. Going into the United States Canadian fish have to pay \$1 a hundred.

*By Mr. Todd:*

Q. Shell fish are duty free?—A. I am now speaking of the transportation of fresh fish. Take the American caught halibut that comes from the Pacific coast. That halibut is landed in Boston \$20 a ton cheaper than Canadian fish because it has no duty to pay; whereas Canadian caught fish pay 1 cent per pound duty.

*By Mr. Maclean (Lunenburg):*

Q. Getting back to where we were before, the canning licenses are not issued to restrict the pack are they?—A. The canning licenses issued to restrict the pack. No, not altogether.

Q. It is just a regulation I suppose?—A. The lobster industry is the only industry in the east that we license.

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Q. It is a regulation, it is not a restriction?—A. It is not to restrict the catch particularly.

Q. It is a restriction by way of regulation?—A. It is not exactly a restriction by way of regulation, it is a method of registration or method of control by regulation. I quite conceive it would be possible to have 10 huge lobster canneries to can all that a hundred canneries would can, but it would not save one lobster.

Q. You think it absolutely necessary to have a cannery licensed?—A. I think it is absolutely necessary to have canning licenses if we want to control the canneries.

Q. There should be sufficient to prevent the monopoly of course?—A. Yes, there should be.

Q. And not too many to create the reverse effect?—A. Yes, I think that is correct. If you take into consideration the fact that we have got 723 of them now there ought to be enough of them to prevent a monopoly.

*By Hon. Mr. Brodeur:*

Q. You might explain to the Committee what we have been doing lately in regard to those who have got the largest number of licenses?

*By the Chairman:*

Q. Do you grant any number of licenses to one man or one firm, any number they ask for?—A. Not any number they ask for, but some firms have a large number of licenses.

Q. You never restrict the number you give to one firm?—A. No.

Q. Do you make any investigation as to whether they use these licenses after you have given them?—A. Yes, we have done so.

Q. What is the result of that investigation, how many of these licenses are not used at all?—A. In 1908 in eastern Nova Scotia, inclusive of Cape Breton, there were six which did not operate. In the island of Cape Breton there were two.

*By Mr. Kyte:*

Q. Two new licenses?—A. No, two canners' licenses which did not operate.

*By Mr. McKenzie:*

Q. Where were they located?—A. I cannot give you the exact location of those on Cape Breton Island.

*By Mr. Kyte:*

Q. Have you with you the names of those to whom licenses were issued?—A. I can give you that information, but I did not bring it with me. Then in western Nova Scotia, that is from Halifax down, there were ten not operated.

*By the Chairman:*

Q. Is that all?—A. That is all.

Q. How many have been operated on a very small scale so as to hold the license? Have you found that some packers were packing a few cases, not operating in a business-like way, but simply to show that they had packed some cases?—A. Before I answer that question I want to explain that of the 18 companies which were not operated, the lobsters caught were packed in other canneries owned by the same licensees. We demanded that the lobsters should be packed to the satisfaction of the local officers and in a good many cases the local officer reports that as a satisfactory operation. That is they seem to think that if the same persons can the lobsters in one of their other canneries that it is not unsatisfactory to the people.

Q. Would you call packing 10 or 20 cases of lobsters a sufficient use of the license to entitle a man to get it renewed?—A. I would have to qualify that in some way.

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I think, Mr. Chairman, in some instances it might be. It would largely depend upon circumstances, largely depend upon the conditions in that particular locality.

Q. Can you tell us the number that is operated in that way?—A. No, I cannot.

Q. You would be able to find that information from your books do you not think?—A. No. We could get a statement of the number canned in each cannery.

*By Mr. Maclean (Lunenburg):*

Q. Have you got the number of the licenses in each county, say in Nova Scotia?—A. In Nova Scotia? Antigonish, 6 canneries; Cape Breton, 14; Colchester, 2; Cumberland, 38; Digby, 7; Guysborough, 30; Halifax, 21; Inverness, 18; Lunenburg, 7; Pictou, 21; Queens, 7; Richmond, 11; Shelburne, 24; Victoria, 16; Yarmouth, 14; total, 236. In New Brunswick, Charlotte, 4; Gloucester, 66; Kent, 47; Northumberland, 12; Restigouche, 2; Westmoreland, 59; total 190. Prince Edward Island, Kings, 54; Prince, 94; Queens, 55; total, 203. Quebec, Bonaventure, 11; Gaspé, 63; Gulf Division, 20; total, 94. Grand total, 723.

Q. What reason was there for having as many as 30 in a county?—A. I suppose the only reason would be the application for the licenses. Another reason would be I suppose that they were there before the license system was introduced.

*By the Chairman:*

Q. The length of the coast line would have something to do with it I suppose?—A. Yes.

*By Mr. Kyte.*

Q. How long has the department been issuing licenses to canners?—A. The department began issuing licenses under the Act of 1894.

Q. How long has the department been restricting the issuing of licenses?—A. I think that practically we have always been restricting it. I take it the minister has used his executive power either to refuse or grant. If the Act means anything if it gives the minister power to grant, it must give him the power to withhold. Perhaps I did not exactly understand your question.

Q. I take it at first any person who applied for a license, who was a bona fide canner, would get his license?—A. Yes, that is practically so.

Q. That was the practice of the department?—A. Yes.

Q. Well then some years ago you began refusing to grant licenses?—A. The department began restricting to some extent.

Q. When was that?—A. I think in 1903 or 1904 it began to develop. There was a kind of evolution of policy; it evolved itself. It began about 1903. In that year I should think it took form.

Q. And no license was issued to canneries?—A. No. You see at first there was a restriction but not an absolute prohibition of new canneries in the same instances, of course, the relative merits of the applications would be considered and some isolated ones might have been issued at first. But about four years ago, I should say, we absolutely refused to grant new licenses and now, as I explained, under the co-operative plan we have issued a few in 1908 and the present current year.

Q. And no exception has been made with respect to that policy since 1904 with the exception of these co-operative licenses?—A. No, excepting one license which was still a co-operative license to the Fishermen's Union in Queen county, N.S.

*By the Chairman:*

Q. Have you ever cancelled a license for non-use?—A. We have not.

Q. Would you favour doing that?—A. I gave directions to the inspectors to watch that and that if licenses were found not to be used I would recommend to the minister the consideration as to whether or not they should be renewed.



*By Mr. Kyte:*

Q. In the case of a license issued last year to a cannery that did not operate and application were made this year again what would you advise in respect to it?—A. I think I would have to qualify that too. It is a pretty drastic measure to refuse to renew a license. What I would do, of course, would be to get the best information I could from my Inspector of Fisheries or his local officer on the spot, and if the conditions were such as might warrant the refusal of the license or to give it to an applicant who had not been able to get one I think I might be almost prepared to recommend to the minister its refusal; but there might be other conditions upon which it would be practically prohibition or at least confiscation to do so. In each case I don't think I could give you a decided answer except in a general sense. I think each case would require to be carefully looked into.

Q. I suppose that should another person apply for a license in that particular locality who is prepared to carry on the canning of lobsters there it would have some effect upon your decision?—A. Yes, a very great effect, indeed, and I think it ought to have great effect upon the canner as to whether or not he operated his cannery.

Q. As a matter of fact you have not considered that question at all? You simply recommend every license that is asked for?—A. You say consider. We have been considering it for some time. As I say I have asked my officers to get me that information and report all such cases as that; but the minister has not yet cancelled, nor have I recommended the minister to cancel, a license for that reason.

*By Mr. McKenzie:*

Q. Are the licenses issued annually?—A. Yes.

*By Mr. Turgeon:*

Q. Have you any licenses in New Brunswick that were not operated last season?—A. No.

*By Mr. Todd:*

Q. How about the Island of Grand Manan?—A. There might be one but I have not got it here. If I might correct my answer I believe there is one on the Island of Grand Manan that was not operated.

*By Mr. Fraser:*

Q. Have you any knowledge of the practice of transferring licenses from one person to another?—A. Yes, we control the transfer of a license from one to another. It requires the minister's personal permission.

Q. To transfer a license?—A. For a man to transfer a license. We gave instructions a year ago to the Inspectors of Fisheries that if a man choose to buy a lobster factory without permission from the minister, or without being assured that he was going to get his license from the minister, he did it at his own risk.

*By Hon. Mr. Brodeur:*

Q. Will you explain why that policy was adopted?—A. The reason was this: there is a tendency in the lobster business, as in other businesses, to accumulate licenses which became practically monopolies in the hands of a few people. It was thought that unless that was a necessity it might prove better if some of these licenses were distributed among people who had been refused them and not retained in the hands of one or two particular operators. Therefore, the instructions were issued, with the minister's consent, that those who wished to transfer licenses would first have to receive permission from the department and we are carrying that out.



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*By Mr. McKenzie:*

Q. You have inspectors of canning factories have you not?—A. We have inspectors of fisheries a portion of whose duties is to inspect lobster canneries.

Q. I do not mean the higher class of inspectors such as the late Mr. Bertram was. What do you call those officers that inspect canning factories?—A. They would be called fishery guardians or fishery overseers.

Q. Is it a part of the duty of an inspector such as the late Mr. Bertram to visit the factories.—A. Part of his duties is to see that those factories are visited. If not visited by the fishery overseer, under whom there are again guardians, it would then be his duty to visit them. He might and did visit them in his capacity of inspector of fisheries, but, of course, he receives his reports, as other inspectors do, from the fishery overseers of the county. There may be two overseers or more in a county.

Q. What is the scope of jurisdiction of the overseer, what is he supposed to do?—A. Well a fishery overseer is a man with very large powers. He is an ex-officio magistrate or justice of the peace. He can correct on view and one of his functions would be to visit a lobster cannery and if he found the law being violated he could either cite the offender before a magistrate or he could inflict a fine himself on view.

Q. Does what you call violating the law have reference solely to the canning of seed lobsters or the small lobsters?—A. Violation of the law would be canning during the season which was not legal, canning small lobsters, or canning berried lobsters or soft shell lobsters.

Q. Those are the two things?—A. Those are four.

Q. Violations within the season, and possibly the canning of small lobsters or lobsters containing seeds?—A. Or a soft shell lobster, one which has just shed its shell and is not fit for canning purposes.

Q. It is not healthy?—A. It is ill just then, although, of course, it gets its shell formed again.

Q. Take the County of Victoria, how many officers are there in that county whose business it is to inspect the canneries?—A. We have John Campbell, of Halifax, who is on St. Paul's island; Duncan Gillies, who is at Baddeck; W. P. Moffatt, Cape North; T. P. Montgomery, Neil's Harbour; Alexander Morrison, Rocky Cove; Murdoch Macdonald, Bras d'Or; Angus Maclean, Ingonish; and Charles MacCrae, Middle River Brook.

*By the Chairman:*

Q. Now tell us how many there are in Guysborough?—A. There is John Davis and David Reid.

*By Mr. McKenzie:*

Q. You regard the duties of these officers as very important do you not?—A. Yes, I do.

Q. And that they should be watchful in respect to these canneries and ought to have a great deal to do with the law being carried out? They are the only officers that are really charged with the carrying out of the law in respect of canning and the season is about how long in Victoria county? How many weeks? From the 1st of May to the last of July is it?—A. The open season in Victoria is from the 1st May to the 31st July.

Q. I do not know whether it is a matter for this committee. What do you pay those officers for attendance on their duties during that length of time?—A. These fishery overseers whose names I have just read are permanent officials. They get very small salaries. Their salaries will average perhaps from one hundred to two hundred and fifty dollars.

Q. Are there not some as low as \$60?—A. There may be, I have not got the pay-list here.

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Q. You could not reasonably expect much attention from good men for the period of May, June and July for \$60?—A. Of course, they are also paid their legal travelling expenses. They do not incur a copper of expenditure which they do not get reimbursed to them and they possibly like the position even if the salary is small, some way or other. Of course, we could get better men who would devote a greater portion of their time if we were able to pay larger salaries, but we have a great many officers to appoint throughout the Dominion and not very much money with which to pay them.

*By Mr. Chisholm (Inverness):*

Q. I notice that there is quite a difference in the amount of salaries paid to fisheries officers, is there any scale for regulating the amount paid?—A. Yes, to some extent. We regulate the salary of a man generally according to the importance of the district he happens to have, and when a man replaces another he generally gets the salary paid to his predecessor.

Q. My reason for asking the question is that I notice some officers are paid, as Mr. McKenzie says, \$60, while other officers are paid \$120 and \$130 and so on?—A. Yes, and it has been so for many years.

Q. I want to know on what principle this is regulated?—A. How do you come to give one man \$60 and another man \$120 or thereabouts?—A. That may be answered by using the word 'precedent.' It has been that way a long while. There was a certain amount of money set apart for a county and that much money is expended in that county. In the preparation of the estimates we take that as a basis. We increase the officers from time to time and deserving officers who have important districts have their salary increased from time to time. Some do not deserve it and others do. Of course, they get their travelling expenses and those owning horses hire therefor while officially travelling.

*By Mr. Maclean (Lunenburg):*

Q. The important thing is that in counties where they have only one or two officers they get a decent salary?—A. Yes.

Q. And there are a lot of counties where they have got five, six or seven overseers?—A. Which are perhaps sometimes not needed.

Mr. KYTE.—Looking after one factory some of them.

Mr. MACLEAN (Lunenburg).—Yes, one or two men at the most would be sufficient and they could get a decent salary.

Mr. MCKENZIE.—I do not at all deny that such may be the case sometimes, but take my county, the county of Victoria, with one factory away down at Bay St. Lawrence and the other up at River St. George.

Mr. MACLEAN (Lunenburg).—I am taking the average. In Victoria county I notice there are six or seven overseers whereas in Guysborough, Lunenburg and Digby there are only two, in Shelburne and Yarmouth only one.

Mr. MCKENZIE.—I say it is impossible for one man to perform these duties.

Mr. MACLEAN (Lunenburg).—I know, but he has officers under him.

*By Mr. Jameson:*

Q. As I understand it there would be in the respective counties an overseer of fisheries and then under him fisheries guardians?—A. Yes, there would be in counties where they are required.

Q. Then whose duty would it be to take proceedings for the violation of the fisheries regulations?—A. The local fishery guardian would report to the fishery overseer and the fishery overseer would either take proceedings himself or report to the inspector. For some few years past our inspectors used to hold courts at certain places, having magisterial powers as well. They collected these cases of complaints

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from the different overseers and made a sort of circuit in that way, but it would be competent at any time for a fishery overseer having magisterial powers to exercise them and enforce the law himself.

Q. Are reports of any proceedings of that character made to the department?—  
A. Reports? What do you mean?

Q. If prosecutions are entered?—A. If a prosecution is entered and a man fined, a report is made to the department and the money is sent here and paid to the Receiver General.

Q. Can you state the number of fines or convictions that have been imposed or made in the province of Nova Scotia, we will say for violation of the Lobster Fishery Regulations?—A. Assuredly I could if I had the records of the department here, but of course, I could not give it from memory.

Q. Well could you prepare a memorandum of the number of prosecutions entered and the number of fines imposed?

The CHAIRMAN.—If you will pardon me there was a return brought down to the House last year giving for a number of years the fines imposed in some districts in Nova Scotia. I am not sure whether it covers what you want.

Mr. JAMESON.—If it does, perhaps it will meet the case.

The WITNESS.—I will see if it does. What do you want it for?

Mr. JAMESON.—I am interested especially in Western Nova Scotia, but I think the same information might be available for the whole province

Mr. WARBURTON.—I understand the return was for the whole province of Nova Scotia.

The WITNESS.—Whatever the return is we will get it. If it is not for the whole province of Nova Scotia we can supplement the information? You mean for all the fisheries, for any violations of the fisheries law?

*By Mr. Jameson:*

Q. Any violation of the fisheries law, more particularly of course, with reference to the Lobster Regulations. You have no statistics?—A. They would not refer particularly to lobsters unless you wish us to eliminate everything else and pick out the lobster cases.

Q. Would it be possible to get such a return as that relating solely to lobsters?—  
A. I presume so, anything could be picked out.

Q. That is more particularly what I want. There is just another question I wish to ask you: Are you aware of any fishery overseers or guardians being interested in canning factories?—A. No, I am not personally aware of any.

Q. Would it be the policy of the department to retain any such in the employ of the department?—A. That is a question I would scarcely like to answer yes or no to. I think the minister would be more in a position to answer that question.

Hon. Mr. BRODEUR.—It has never been considered or brought to my attention.

Mr. JAMESON.—If any such practice exists would it be considered a good policy to allow it?

Hon. Mr. BRODEUR.—I would not like to say off-hand.

Mr. JAMESON.—I may say that I am not asking the question idly but because it has been brought to my notice that such a condition does prevail. It seems to me it would defeat the very purpose of the regulations which is to see that small lobsters are not canned.

Hon. Mr. BRODEUR.—Are those men fishermen too?

Mr. JAMESON.—Not necessarily fishermen, but interested in the lobster canneries.

Q. I was asking a witness the other day, Mr. Venning, I think it was Prof. Prince, if any reports had been received regarding seizure of lobsters at Yarmouth?—  
A. If any lobsters had been seized?

Q. Lobsters for export?—A. That is a pretty general question. Would you cover any particular year or any particular number of years.



Q. Have any such reports been received at any time?—A. Yes, at Yarmouth we have an officer who is apparently a pretty good man and very strict, and he examines all crates of lobsters which pass in transit from your county and some of the other counties, Kings county, and so on which are at the wharfs, where, as you well know, they are shipped on the Boston boat and sent to the United States. The object of this officer and his assistants is to see that there are no illegal lobsters in the crates, as small lobsters or lobsters containing berries, and he has on some occasions seized the crates of lobsters which had among them some illegal lobsters, and dumped them into the harbour and let them loose. There were considerable complaints from the shippers that the officer was being unduly critical in the matter and that he was rather imposing upon the trade. So I instructed the inspector for the district two or three years ago, I would not be sure which, to arrange with the officers that the crates in transit to Yarmouth should be examined by the local fishery officer at the point of shipment. We provided them with cotton labels which were to be placed upon the crates, showing that they had been examined by our officer at the point of shipment and that they were legal, and that these certificates on crates landed on the wharf at Yarmouth were to be honoured by the local officer there.

Q. When was that regulation made?—A. That was simply a departmental ruling. I think it was two or three years ago. We sent the labels out last year.

Q. These regulations are now in force?—A. Those instructions are now in force.

Q. When lobsters were seized at Yarmouth under the circumstances you have made, was a report made to the department?—A. Yes.

Q. By the officer?—A. Yes, I think so. We have reports made to that effect. There may be some seizures that were not especially reported, but I think we have reports in those cases.

Q. The lobsters were not sold?—A. We have not only the reports of these cases, but we have the result of investigation. We investigated the conduct of the officer to see whether or not he was unduly interpreting his instructions or whether he was taking advantage—

Q. His instructions from the department would be not to confiscate or to sell the lobsters?—A. We gave him no instructions of that kind at all. He simply knew what he had to do. He confiscated some lobsters and instead of letting them go to the United States dumped them into the harbour. He could do that in his capacity as fishery officer, he could liberate them. Sometimes we could try the offender. Sometimes there were no fines imposed.

Q. And you have no reports from him whether the lobsters were sold by him?—A. No, I did not see any. We have not got from him any report he made on any incident that occurred. These are, of course, very general questions of policy in a department which is dealing with questions from the Atlantic to the Pacific. I can say off-hand that we have reports from him, but I could not say whether he ever reported as to how he disposed of certain lobsters on any particular occasion. We certainly have reports and full reports and we have, as I said before, investigated his actions.

Q. And found them satisfactory?—A. Yes, and found that they were satisfactory. He is a good officer and I gave him those instructions, as I have said before to you, that the lobsters coming from your county and from other counties along that district that had been examined by the local officer and bore his stamp that they were legal were to be allowed to pass. That did away with the trouble. I think we have not had any trouble this year.

*By the Chairman:*

Q. I don't think anybody asked you anything about the enforcement of the law, that is in regard to the size limit. Is the law being enforced?—A. I am sorry to say that from the best information I can secure, which I think is pretty explicit, that



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the law with regard to the size limit is not being strictly enforced. The law with regard to berried lobsters is I think, being very fairly enforced. It is difficult, as has been explained here by a previous witness, to prevent people from rubbing the eggs off the lobsters, but where it is practicable I think that that law is being pretty well enforced. The close season is I might say particularly well enforced considering the extent of coast we have to look after.

Q. Is a strict enforcement of the law as regards the size limit practicable?—

A. I will have to answer that I think in two sections.

Q. Well?—A. I would ask you first whether you would want the lobster canning business to go on as an important factor in the industry.

Q. Assuming that I do want it to go on what would you say?—A. Assuming that you want it to go on I don't see how you could strictly enforce the size limits for lobsters. Assuming you don't want it to go on why, of course,—

Q. Are you of the opinion it would close the factories along the coast to enforce the law strictly?—A. I am of opinion from the information which I gathered from fishery officers and from canners in the fall of 1907, that a great portion of the canneries in certain sections of the maritime provinces would have to close down if the present law was strictly enforced.

Q. And do you agree with Mr. Baker's evidence that about 40 per cent of the lobsters taken on the coast, in his district at all events, are undersized?—A. I would not be in a position to say 40 per cent.

Q. That is a very large proportion is it?—A. I would not really state any percentage. I don't think that even Mr. Baker could say that.

Mr. McKENZIE.—Did Mr. Baker say that, Mr. Chairman?

Hon. Mr. BRODEUR.—I think so, I think he said so in referring to lobsters under 8 inches.

The WITNESS.—I took particular pains to acquaint myself with the conditions and I saw every officer in the maritime provinces practically for the purpose of ascertaining information from them. I told them I was not there to find fault with them.

*By the Chairman:*

Q. Did you make an investigation of this matter yourself?—A. Yes, I did.

Q. And what were the results of your investigation, could you give them shortly?—A. Yes. I was sent especially down in October and November, 1907, to inquire into the manner in which the size limit for lobsters was being enforced. I held three meetings, one at Halifax at which I gathered all the officials and fishery officers and inspectors for the surrounding district; one at Hawkesbury; and I met some people at Port Mulberry. I went from there to Charlottetown and from there to Moncton, and in that way I covered the whole of the maritime provinces, meeting the different fishery overseers and inspectors. I took the inspectors with me from the different provinces in order that they might see what was going on outside of their own district. I personally examined all these officers and met many of the people engaged in the lobster business and I must say that I was forced to the conclusion that the size limit for lobsters was not being strictly enforced anywhere.

Q. In any of the districts?—A. In the sections of western Nova Scotia more particularly I think the officers claim there was a concerted attempt made there and they were fairly carrying out the size limit, but elsewhere—

Q. What did you find between Halifax harbour and Point Michaud?—A. Well, Overseer William Kennedy said that he thought the size limit was fairly well enforced in his district; Rawlins says it is not strictly enforced in his district.

Q. These officers are in Halifax?—A. Webber says the 9-inch limit is fairly well enforced, but short lobsters are being taken.

Q. What did Davis say?—A. Special Officer Torrey, of Guysborough, says it is impossible to estimate the percentage of small lobsters, but he does not think

of necessity that the canners would close if the limit were enforced. Davis of Guysborough says the law is not strictly enforced regarding the size limit excepting when an officer is acting on the spot. Of course, I can go on with hundreds of officers, but I do not think it is necessary. To answer the question you put to me in a general way I was forced to the conclusion that the law was not being strictly enforced with regard to size limit and also to the conclusion that in certain districts the enforcement of the law would mean the closing down of a great number of lobster canneries.

Q. What do you say to Mr. Baker's proposal to reduce the size limit to 7 inches and be stricter in enforcing the regulations with regard to berried lobsters?—A. Well if the size limit has any meaning to my mind it has always conveyed the idea that it is intended to protect the lobster, at least to the size, when it would become matured and reproduce, otherwise to my mind it has no sequence at all as 7-inch lobsters will not propagate I do not see the force of fixing a 7-inch limit.

Q. Well if it is disregarded as you say why not abolish it?—A. Well then again you are going a long way because although in the main every law which is on the statute-books ought to be enforced there is a large amount of give and take. Some regulations in some cases cannot be actually enforced but their presence on the statute-book may have a deterrent effect to some extent and it may be bad policy to remove it knowing that you cannot enforce it. On the other hand it is bad, of course, to have a law which you cannot enforce. I must say that that is the point in the lobster business which has given me the greatest trouble to reach any decision about and I did think at one time that it might be well to disregard the size limit altogether and let the canners do what they are doing now. They are packing them anyway and cut them down to a minimum size but I don't know whether I would be prepared just now to recommend that just now or not.

Q. What do you mean?—A. I mean cut the season down.

Q. Shorten the season?—A. Shorten the season down to the very lowest possible and let them pack.

Q. Shorten the season, abolish the size limit, and increase the strictness of the regulations in regard to the berried lobster?—A. I did not say I would recommend it. I say I have thought of that in connection with other things. It would be going an awful long distance but, of course, the canners are doing it now.

*By Mr. Fraser:*

Q. Have you received, or has the department to your knowledge, any communication from the government of Prince Edward Island proposing a shortening of the season? Have you received any communication recently? Are you aware in other words, that the government of Prince Edward Island has passed a resolution?—A. Yes, I am aware of that.

Q. To have the season shortened?—A. I am aware that the assembly of Prince Edward Island have asked that the season which opens on the 20th April should be deferred until the 26th April.

HON. MR. BRODEUR.—Not the government, the legislature have done that?—A. The legislature. I became aware of that only yesterday.

*By Mr. Fraser:*

Q. Will that regulation be put into force this year?—A. I don't know.

HON. MR. BRODEUR.—Yes, I might say I am willing to consider favourably the resolution of the Legislative Assembly.

*By Mr. Todd.*

Q. What do you think was the object of the legislature in recommending this seeing that it only makes six days difference?—A. Well I have not seen the terms of the resolution and, therefore, I am not able to say. The only thing I can think of is that the 20th April is a fairly early date to open on and that possibly the gear and

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traps and so on may be lost or interfered with in the ice. Some people are bound to go out and set their lines before others and it is probably wanted to change the date in such a way that the bulk of the people cannot get out until after the six days have expired. That may or may not be the case but it is the only conceivable explanation I can see for their making such a request.

Hon. Mr. BRODEUR.—Has there been any discussions in the newspapers, I have not seen any?

Mr. FRASER.—I understand a great many people want to have the season opened on the 1st May and others want to retain the old date. I think the department is aware that the opening and closing of the season is as fairly well observed in Prince Edward Island as in any other part. But I may tell the Committee that it is impossible to carry out the size limit regulation as the department knows.

Hon. Mr. BRODEUR.—Is this with a view of having the regulation preserved as to the size limit?

Mr. FRASER.—No, that is an impossibility.

The WITNESS.—Would you say it is impossible? I am not free to admit that. If I have created that impression I would like to change it. I am not free to admit that it is impossible to carry out the size limit. I could carry it out but in doing so I would have to close some factories.

Q. I understand there have been only two new licenses in Kings county for the past five years?—A. The only record I have is two in Kings county.

Q. Would you give me the names?—A. I cannot give them to you here but I can give them to you in the office.

Witness discharged.

Hon. Mr. BRODEUR.—We have the good fortune to have present two or three witnesses from Nova Scotia. It might perhaps suit the convenience of the Committee to meet this afternoon and take the evidence of these gentlemen. We have to sit during the sittings of the House.

Mr. FRASER.—We might meet at 4 o'clock, I should think.

The CHAIRMAN.—If that is agreeable to the Committee we will adjourn to meet at 4 o'clock.

Committee adjourned.

COMMITTEE ROOM No. 32,  
HOUSE OF COMMONS,  
TUESDAY, March 23, 1909.

The Select Standing Committee on Marine and Fisheries met at 4 o'clock p.m.  
Mr. Sinclair, Chairman, presiding.

Mr. WILLIAM WHITMAN, M.P.P., Guysborough, called, sworn and examined.

*By the Chairman:*

Q. You are a fisherman?—A. Yes, I have been.

Q. For how many years?—A. From my youth up with few exceptions

Q. You have been engaged in trap fishing?—A. Yes.

Q. You are the local representative in the county of Guysborough, in the Nova Scotia legislature?—A. Yes.

Q. You were one of the members of the Lobster Commission that sat in 1893—A. Yes.



Q. Will you tell the committee what you did in order to obtain the information to arrive at the conclusions which you reached?—A. I think, if my memory serves me right, there were 8 members of the commission but we were divided into two parties. One party took the south coast of Nova Scotia and the other the western part of Cape Breton, the Northumberland Straits and the north coast of Quebec. I don't think there was any person visited the Magdalen Islands or Anticosti, I think I am correct in that.

Q. What did you do?—A. We took evidence. Mr. Nickerson, and Mr. Lavatte and myself were on the south coast, that is from Digby around to Cape North, from Digby on the south coast of Nova Scotia to the Island of Cape Breton to Cape North.

Q. Cape North and Cape Breton?—A. In Victoria county, Cape Breton.

Q. You called at a number of places and heard the views of the fishermen and the packers?—A. Yes, we did.

Q. You recommended at that time that the size limit be what?—A. We recommended that on a small portion of the coast the size limit be 10½ inches.

Q. Where?—A. That was in Digby county. Commencing at a line between Digby and Yarmouth counties, in the County of Digby, was included in the 10½-inch recommendation.

Q. What other size limits did you recommend?—A. From there to Halifax Harbour we took the fair way buoy out of Halifax Harbour as a dividing line. It was quite wide there and we decided that it was a good place to make a division, the fishermen would be some miles apart. There we recommended a 9-inch limit.

Q. That is west of Halifax?—A. From Halifax west to the county line between Yarmouth and Digby if my memory serves me right, that was the recommendation of the commission.

Q. Then east of Halifax?—A. East of Halifax from Halifax to Point Michael was another division with an 8-inch limit. Then there was the west part of Prince Edward Island and the Northumberland Straits. At that time the evidence that our fellow commissioners received was that the lobsters were so small that anything above a 7-inch limit would destroy the industry for the packers. Sir Louis Davies, who was Minister of Marine and Fisheries at that time thought probably that it would be better to make there a 7-inch limit, but I understood afterwards it was never acted upon. The size limit from Halifax east was, therefore, made 8 inches.

Q. Do you know if this regulation has been observed or has it been systematically broken?—A. So far as I know I do not think it has been observed.

Q. You have been among the fishermen in your district every year?—A. I have.

Q. As far as your district is concerned you say the law is not observed?—A. I do not think so. It may in some instances be observed.

Q. What is the size of the lobsters in your district?—A. The lobsters are not as large as they formerly were.

Q. They are decreasing in size?—A. I would say so.

Q. Comparing those caught at the present time with a good many years ago you mean?—A. Yes, with those taken a number of years ago.

Q. What would be the effect in your district if the 8-inch size limit was strictly enforced?—A. I think it would be an injury to the canner.

Q. You think it would close the canneries?—A. I do not really think it would, it might in some instances. My experience is that the lobsters are not a uniform size at different places along the coast.

Q. You think the lobsters are small on some parts of the coast than on others?—A. In some localities I think they are.

Q. What is your reason for thinking that?—A. There are some parts of the coast where the water is deep—what I mean by deep water is where there is 60 or 70 fathoms and a mud bottom—runs near the coast. The lobster, as I understand it, migrates off and on from the shore; he does not follow the coast as do other fish.



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Q. The lobster moves out to sea and then back again?—A. Yes, and then moves back again.

Q. And what about this mud bottom, what has that to do with it?—A. We find that a lobster does not make his home on a mud bottom, he has not any use for mud. He wants a hard bottom.

Q. If the mud bottom comes close to the shore the area the lobster has is small?—A. I mean that.

Q. It is narrow and the lobster is apt to be caught up?—A. More quickly.

Q. Then you do not think it would close the factories in your district to enforce strictly the 8-inch limit?—A. I don't think it would close them down, but it would injure them.

Q. It would reduce the output?—A. Yes

Q. But not much?—A. Not very much.

Q. What do you say about the length of the season, is that satisfactory?—A. I think it is as far as I know. I did not hear any complaints among the fishermen.

Q. Have you any suggestions to make about the length of the season, would you shorten it?—A. The best method of protection you could have for the lobsters would be to shorten the season.

Q. What time of the year would be the most important to cut the time off, the latter end of it?—A. The latter end.

Q. Why?—A. There are more seed lobsters on the coast in the month of June than there are in the months of May or April.

Q. And would you suggest that it is practicable to shorten the season by taking a part off the latter end of it?—A. I think that might be done without materially injuring the packers and the fishermen.

Q. What is the season in your district now?—A. I think if I am correct it is from the 1st of April to the last of June.

Q. And how much would you suggest you should shorten the season?—A. Fifteen days.

Q. And make it the middle of June?—A. Make it the middle of June.

Q. And you say that if we did that we would save a great many seed lobsters?—A. Yes, that is my contention.

Q. Because in your contention there are more seed lobsters to be caught during these 15 days than during any other part of the season, is that it?—A. Yes. From a fisherman's standpoint, I think there are more seed lobsters caught in the last 15 days than there are in the 25 days preceding.

Q. What is the reason of that?—A. The seed lobster apparently go in to the shore as the water gets warm in June, they go up into very shoal water. Earlier in the season the fishermen catch them in deeper water. Down to 20 fathoms I believe.

Q. And the destruction of the seed lobsters is greater towards the end of the season?—A. Towards the end of the season it is greater.

Q. What do you say about restricting the number of licenses?—A. Well on the Atlantic coast, as I understand it, the fishermen own their own gear and the packer buys from them. But there are certain parts of the coast where the packer owns the gear and hires his men. It is not so on the Atlantic coast, I do not know of any part on the Atlantic coast where the packer hires his men. The fishermen own their traps, they catch the fish and the packers send their smacks out and buys them.

Q. Then in your opinion the number of licenses does not settle the number of lobsters to be caught?—A. Not on that part of the coast. I do not consider that it does.

Q. Then is it your opinion that by increasing the licenses any more lobsters would be caught?—A. I don't think there would be, there would be the same number of fishermen. You know that on that part of the coast they are fishermen, the farmers do not enter into fishing operations at all.

*By Mr. Maclean (Lunenburg):*

Q. You would not favour unrestricted canning licenses?—A. Yes.

Q. You would?—A. Yes, I would.

Q. You would give a canning license to everybody?—A. No, I would give a canning license to the man that understood putting up lobsters.

Q. Well, the canning licenses are not restricted for the purpose of saving the lobsters, are they?—A. I think they are in some cases. I think that is the intention in some cases.

Q. I think you must be wrong, at least that does not seem to look like good reasoning. The idea in granting canning licenses is to see that the product is put up properly so that you can have some control of the canning?—A. It may be but I am of the opinion that it is not.

Q. Well, does it not look reasonable, Mr. Whitman, that we should control the men who can the product and ship it abroad?—A. Yes, that is right.

Q. That is necessary?—A. That is necessary.

Q. And the only way you can do that is by licensing is it not?—A. Well, you grant a license. How do you know the man you grant the license to is proficient in his calling.

Q. I never had any idea that the restriction was for any other purpose than to control the packing?—A. Well, the probabilities are——

Mr. MACLEAN (Lunenburg).—Mr. Venning, what is your idea? What is the purpose of the canning license, is it to regulate the canning or to restrict the catch?

Mr. VENNING.—The canning license was initiated almost entirely, I think, to keep up a good pack and a good catch of lobsters and to do away with the little canneries that used to be built in the woods—sometimes they would can in their kitchens and other places, and I think that was really the fundamental idea of issuing a license to canneries; but, of course, it was to regulate the business.

*By Mr. Maclean (Lunenburg):*

Q. It is to regulate the canning, surely that is the main reason back of it?—A. That is the reason, but it necessarily must have some effect upon the catch.

Q. Incidentally?—A. Incidentally.

Q. But primarily?—A. Primarily the object was to regulate the business and to make a better class of canning and to exclude the little canneries.

*By Mr. Warburton:*

Q. Causing them to put up better goods?—A. Better goods.

*By Mr. MacLean (Lunenburg):*

Q. Mr. Whitman, don't you think it would be an unfortunate thing to grant a great number of licenses?—A. Well, I cannot see the point. If a man——

Q. You don't believe in a monopoly, do you?—A. I do not, not by any means.

Q. Well you believe in putting the canned lobsters on the market in good shape?—A. Yes, that is a point upon which we all agree. But the point that I am making in this case is if I put up good lobsters why should I not have a right to can them as well as any other man.

Q. In the canning business a man must be able to buy a certain quantity of lobsters before he can make it pay?—A. I should think so, that follows in all trades.

Q. A man without capital who can only secure a small quantity of lobsters for canning is not apt to put up as good a product as any one else, is he?—A. My contention is that if he understands his business he will not go into it unless he can make it pay.

Q. Is it not a fact though that most men who are in the lobster business believe they can get lobsters as well as any one else?—A. That might be the case with a farmer.

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Q. You do not think it is true to-day?—A. The conditions have changed vastly in Nova Scotia from what they were 30 years ago. You see when the American canners came in there was no one in Nova Scotia who knew anything about the canning of lobsters, who knew nothing about the business and, of course, Burnham and Morrell and the Portland Packing Company who came in there, were the pioneers in this business. They started it and, of course, our people have learned to can from them. To-day our people can put up just as good lobsters as the Portland Packing Company or Burnham & Morrow.

Q. Some people, can, but as in the matter of butter making, with creameries where you have a number of men organized, as a corporation, as a rule they can put up better butter than the individual farmer can?—A. That is very true, but I think, Mr. Maclean, we are getting away from this point with regard to these licenses. I think Mr. Venning will agree with me, that when they are granting licenses they do not really know that the man is an expert, he gets his license, but they do not know that he is an expert in packing.

Q. I am not against issuing canning licenses, but I think it would be a most unfortunate thing if we were to adopt the policy of issuing licenses to every Tom, Dick or Harry?—A. Let me say to you now that I was not expecting that licenses would be granted indiscriminately to Tom, Dick or Harry.

Q. Supposing there were 1,000 men in Guysborough county who could can lobsters as well as any man in the world, you would not favour granting canning licenses to a thousand men in that county, would you?—A. I do not think that is a fair comparison because it would not be worth a thousand's men's while to start in. We are working upon business principles and there would be no business in that you will agree with me.

Q. I agree with you, but I see you are coming to my point of view?—A. No, I am not coming to you, but you are coming to me. We are not so very far apart as we appear to be.

Q. I am taking an extreme case for the purposes of illustration?—A. I understand you perfectly well.

Q. You would not favour granting a thousand canning licenses in Guysborough county to a thousand good men, would you?—A. No, it would not be asked.

Q. Because there would not be money in it for everybody?—A. Certainly not.

Q. Why would they not put these goods up whether there is money in it or not? Might there not be patriots down there?—A. We do not have them.

Q. You do not have them?—A. I do not find them.

Q. Then is it not a fact that in order to get good canners, men who will turn out a good product, you must have some consideration as to the number of licenses; they must get into the hands of men with a little capital?—A. You know we cannot altogether agree on that. Just let me explain a little bit further. I think on the Northumberland Straits, in Pictou county and along there the canners own their outfits, and of course a man will come along and put up a factory, he hires his men, sends them out. There is a condition of affairs on that coast I think that calls for our consideration and the license was to cover situations of that kind. We had them before the Lobster Commission of 1898, and of course we were asked then to recommend that licenses be restricted, and I think that was the case at the time that was cited that these people were coming in, so many people were coming in and putting up canneries that they were interfering with one another. And of course in a case of that kind I think myself that I would agree with you that there should be some restriction. But, you know, take it on the Atlantic coast, I do not think there is any danger of too many coming in there.

Q. But there is a limit to it, is there not?—A. There is a limit as there is to everything, but I think that would cure itself.

Q. Would you favour the government inspection of canned lobsters?—A. I think



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it will be all right if you have the proper man to inspect, a man who knows the business, that will be all right, and I should not object to it.

*By the Chairman:*

Q. Would you favour a reduction in the size limit. Would you do away with the size limit altogether, Mr. Whitman?—A. I can hardly answer that question.

*By Mr. Warburton:*

Q. Would you state what size limit, for the benefit of the fishermen, would you think proper? The fishermen of course would help the canners, what size should be the limit?—A. If you go below the eight-inch limit I don't think it is in the interest of the business or anybody else, but the trouble is here, I do not see how you are going to protect the size limit and allow the canner to can. Of course, when we made this recommendation they asked that we reduce the size limit to eight inches, it was nine inches, and they asked us to reduce the size limit, thinking they would be able to control the situation, but it did not have any effect. I do not consider it has made any difference.

*By the Chairman:*

Q. Have you ever known of a fisherman throwing small lobsters back into the water?—A. I think I have heard of very small ones being thrown back into the water. I think the probabilities are that very small lobsters of five inches and probably six, are not taken ashore, but that they throw them back.

Q. Would not the small fellows escape through the trap?—A. In some cases he will, yes. Of course, most people leave their traps pretty open and a five-inch lobster would escape; I do not know whether a six-inch one would or not.

Q. Do you think a trap could be made which would allow them to escape?—A. I would not like to venture an opinion on that.

*By Mr. Warburton:*

Q. A moment ago you said the best way to preserve the lobster was to shorten the season and preserve the berried lobster, and you said, as other witnesses have said, that the size limit is practically unobserved. Would it not be well, if you are of that opinion, to shorten the season and to do away with the size limit?—A. I would not really say do away with the size limit. I do not know really what effect it would have upon the fishermen, but I am satisfied if you reduce the time, say you take 15 days off the latter end of the season, that is a practical solution. You know whatever is in the water then they are going to stay there.

*By Hon. Mr. Brodeur:*

Q. At the same time you reduce the close season by 15 days would you favour a rigid enforcement of the regulations as to the size limit of eight inches?—A. I am afraid not—I am afraid I would not say that.

Q. You would not say that?—A. No.

Q. What do you think of the idea of reducing, for a year, for example, the size limit to seven inches?—A. I think that would be all right.

Q. And then increase it, year by year, to eight inches?—A. That would be a very good experiment; watch the thing carefully and I think it will be probably a sound policy to pursue.

Q. Then it would be a rigid enforcement of the seven inches?—A. Yes; well I do not see that there would be very much loss to the fresh fishermen or the packer to cut out below seven inches.

Q. At the same time would you advise in that case that the close season be



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reduced by fifteen days?—A. I think it would be a good thing. I tell you I believe in the interests of all concerned it would be beneficial.

Q. Of course, you would have an enforcement of the regulations, would you not?—A. I think so.

*By the Chairman:*

Q. Would you favour the reduction of the close season in your own district if it were not at the same time reduced in all places?—A. No, I think it should be reduced all round.

*By Mr. Maclean:*

Q. Would it be an easy matter running that limit from seven inches to eight inches at the end of a year?—A. That would be for the politicians to decide.

*By Mr. Warburton:*

Q. To come to the practical element you have never been able practically, to enforce the size limit; would you ever be able to enforce it?—A. I am afraid of it; it may be that you may be able to enforce it.

Q. It never has been enforced, has it?—A. No.

*By Mr. Maclean:*

Q. This lobster business is an irreligious one in that you are apt to become agnostic with respect to it?—A. I do not say that.

Q. Do you consider that the regulations might be enforced any better with a seven inch than with an eight inch limit?—A. Yes, there is a possibility that the fishermen might say: 'The government are using us pretty well, the government have done their part, and we will try and do ours;' that is the secret of it.

Q. What do you think about these canning gentlemen; are they law-observing people?—A. I think they are, so far as they are able—the majority of them.

Q. But their ability is not great, is that it?—A. Oh, some of them have a great deal of ability; they are like all other classes.

*By Hon. Mr. Brodeur:*

Q. If the size limit was not enforced would you advise the cancellation of the license to the lobster canners if they do not carry out these regulations properly—if they are canning lobsters under the size of seven inches?—A. Well, I would not for the first offence.

Q. Not for the first offence?—A. No.

Q. Well, for the second offence?—A. I question that either, nor for the second offence.

Q. Well, what about the third?—A. And I might not for the third.

*By Mr. Maclean:*

Q. When would you want to tax them, once in five years?—A. I would leave that to the official.

Q. Does not the law require forfeiture of the license if they break the law?—A. I think there was a recommendation to that effect for the second or the third offence.

*By Hon. Mr. Brodeur:*

Q. We have the right to cancel the license, or to make it a condition of issuing the license.

Mr. VENNING.—Oh, yes, we can make it a condition of granting the license.

*By Mr. Maclean:*

Q. Is the lobster growing scarcer in Guysborough county?—A. I think the industry is gradually declining—of course it is not rapidly declining.

Q. It is a pretty hard business to regulate, you must admit that?—A. It is certainly there is no doubt about that.

*By Hon. Mr. Brodeur:*

Q. It is hard to have fixed opinions one way or the other on this question?—A. Yes. There is another thing, I do not think we are well enough acquainted with the habits of the fish, but perhaps there may be some person who could take hold of this question and study it up. We do not know how old a lobster is; I do not, I do not know whether Mr. Venning does, but I do not; I do not know how old he would be when he became 10½ inches long.

Mr. VENNING.—I think the scientists know that pretty well now.

*By Mr. Maclean:*

Q. You were privately giving me your views the other day as to what may be the cause in the decrease in the size of lobsters in Cape Breton, because of the depth and coldness of the water?—A. I think I have already given that.

*By Mr. Warburton:*

Q. It was suggested the other day that the fisherman should receive a license on which he should not be required to pay anything, and if he was found in possession of small lobsters that the license should be taken from him and that he should not be allowed to fish, what would you think of that?—A. I do not agree with that, that was brought before our commission and we all decided that the fishermen did not like to have to go hunting for a license. There is a little trouble in connection with it I do not see that it will benefit the industry to have that restriction, I do not think so.

*By Mr. Maclean:*

Q. Now, here is a problem. You say that the limit should be 8 inches—?—A. No, excuse me, I did not say that.

Q. Say seven or eight inches, and you admit that the canning men do not observe the limit?—A. The canning men do not?

Q. Yes?—A. Well, probably we will have to include the fisherman as well. I am neither a lobster fisherman nor a packer, I am between them, and as far as I am able I will be fair to both.

Q. If the canner will persist in buying illegal sized lobsters that is throwing temptation in the face of the fisherman, is it not?—A. You will have to excuse me—if the fisherman will insist upon the canner taking short lobsters. I think we will have to put them in the same boat.

Q. What are you going to do then?—A. You can stop the canner from canning and say: 'You shall not can any longer,' and then the fishermen will have to go at something else or starve. There is the situation.

Q. Then the situation is that you cannot enforce the law as to the size limit without destroying the business?—A. I do not say that you cannot enforce the law, but I do say that it has never been enforced. Whether it can be or not is a different question.

*By Hon. Mr. Brodeur:*

Q. I suppose it can be enforced at the canneries, but it will affect the industry itself?—A. Well, now, it is just this, it may be that it does not altogether lie with

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the canner. I am a fisherman, I go out and set my traps, and I go out and haul them. I have 100 pounds of the regulation size lobster, and I have fifty pounds under regulation I know the canner will not buy them from me, but I will carry them home and boil them in the pot, I will take the meat out and put it in a bag and carry it over to the cannery. Of course the canner will take it then and put it with the rest of the meat and the fisherman is going to get paid for it. I think that is correct.

*By Mr. Loggie:*

Q. That is contrary to law?—A. There are some things contrary to the law, but get at them if you can.

*By Mr. Maclean:*

Q. What do you do with the shells after taking them out of the pot?—A. I can burn them.

*By Mr. Loggie:*

Q. In what depth of water is the lobster fishing carried on—A. I do not think they go beyond twenty fathoms.

Q. How far is that from the shore?—A. Between two and three miles.

Q. What is the depth of the shoal water they fish in?—A. Up to two fathoms, one fathom sometimes.

Q. On the bay?—A. No, on the coast.

Q. Sandy bottom?—A. No, rocky bottom.

Q. Is there much difference in the size of the lobsters in shallow water compared with those found in twenty fathoms?—A. No, there might have been a time when there was but I do not think there is very much difference.

Q. Have you any bay where you catch lobsters?—A. Yes.

Q. In sheltered water?—A. Not very much, well, it would be sheltered only at the time of a storm.

Q. I mean is it a sheltered bay?—A. Only at the time of a storm.

Q. Do you get lobsters there early in the season?—A. Yes.

Q. What depth of water is there?—A. I mean Chedabucto bay; it is a deep bay of twenty odd miles and at the bottom of the bay there is about 65 or 70 fathoms of water, and about eight miles from the head of the bay there would be 35 fathoms of water, with a muddy bottom, there is tide water.

Q. You would not get any lobsters on the muddy bottom?—A. No, not by any means.

Q. Have you any shallow bay with four or five fathoms of water, having a rocky bottom?—A. No, we have not, not such as you would get on the north shore of New Brunswick. We haven't any like that.

*By Mr. Maclean:*

Q. Do you believe in allowing men to catch lobsters in July and August anyway?—A. In August?

Q. Is it detrimental to the lobster business?—A. Well, now, Mr. Maclean, my opinion is that around the Island of Cape Breton lobsters can be got, and should be got later in the season than they can be further west. The water early in the spring is cold, we have the cold waters of the Gulf coming up around the Cape Breton coast; and there is another thing, the evidence that we got on that Lobster Commission went to prove that the lobster was not as large at a given age as he was in the west. That had something to do with our recommendation as to size limit.

Q. I think that is right?—A. And it had a great deal to do with the different districts along the coast.

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Q. Is the law better observed in the western part of Nova Scotia than it is in the eastern part, do you think, as to size. Did you gather anything on that commission in that respect?—A. I really do not know; people claimed that, but I really do not know whether it was so or not.

Q. You believe in shortening the seasons?—A. That is from a protective standpoint. I believe that eventually it would benefit all concerned, both the lobster industry and the fishermen as well, because, you know, we must not fish the lobster out.

Q. On the ground that you can do less harm in one month, than you can in two months, that is the theory?—A. Yes.

Q. And also that you are striking the period when they are berrying?—A. Yes.

*By Mr. Chisholm (Inverness):*

Q. What would the result be if you shortened the season, and we have ice until the 10th of June—what are you going to do then along the Inverness coast?—A. I am aware of the fact that the ice comes in here late; in that case take a year that the ice came in and blocked the coast until the 10th of June so that the fishermen could not get out there should be an extension allowed, some little latitude should be given to those people.

Q. I do not want to go on record as saying that the County of Inverness is ice-bound in June, but I am asking what you would do on an exceptional occasion such as I have referred to?—A. That happens occasionally. I am quite aware of that, and there should be provision made to meet it.

Q. If the season were shortened as you suggest it would be equivalent to cutting off the industry entirely and absolutely under such circumstances.

*By the Chairman:*

Q. What is your opinion about hatcheries?—A. I think the hatchery is a very good institution, so far as I know it is.

*By Mr. Fraser:*

Q. I heard you say a while ago that you were neither a lobster fisherman or a canner?—A. That is what I said, yes.

Q. You are not in the fish business, are you? A. I have been a fishermen, and I have prosecuted other parts of the fishing industry, as I said before, from my youth up with few exceptions.

Q. Have you any knowledge of markets?—A. I know something about them.

Q. What would you think of encouraging the selling of fresh lobsters in the markets of Canada instead of the United States instead of selling the canned product?—A. I do not think there are people enough in Canada to eat them, otherwise I think it would be all right.

Q. Do you not think there could be a trade worked up?—A. I think there could be a small trade worked up, but you know there are a great many lobsters caught in Nova Scotia.

Q. Are there any other sorts of fish on the eastern end of Nova Scotia that are shipped—you live at Canso?—A. I live at Guysborough, that is near Canso. Yes, there are some shipped from Guysborough county. I can give you a statement of live lobsters shipped from Guysborough county from 1895 to 1907 (reads):



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*Guysborough County.*

	Fresh lobsters in Cwts.
1895. . . . .	500
1896. . . . .	520
1897. . . . .	2,140
1898. . . . .	811
1899. . . . .	2,282
1900. . . . .	3,930
1901. . . . .	3,168
1902. . . . .	2,392
1903. . . . .	2,673
1904. . . . .	2,009
1905. . . . .	9,895
1906. . . . .	2,551
1907. . . . .	3,429

Mr. MACLEAN (Lunenburg).—Mr. Venning, is there such a thing as a special car for the transportation of live lobsters, a tank car or anything like that?

Mr. VENNING.—Yes, Mr. Neville has a specially arranged carrier and the railways have taken lobsters across the continent.

The CHAIRMAN.—Where does he send live lobsters to?

Mr. VENNING.—Lobsters are sent from Boston to Denver, Col.

Mr. LOGGIE.—Mr. Neville sends them from Halifax to all the American States.

Mr. VENNING.—Yes, and they are shipped as far as Denver.

Mr. LOGGIE.—I have seen them going from Halifax several times, put up in casks, ice inside.

*By Mr. Jameson:*

Q. Mr. Whitman, I think the committee understood you to say that in your opinion the lobster industry is declining?—A. Yes, to a certain extent.

Q. Does that opinion apply to the whole maritime provinces or to your particular section?—A. Well, of course, I am better acquainted with the particular section where I live.

Q. On what do you base that opinion?—A. The fishermen claim that they do not get so many. I may tell you that in the bays the lobsters are getting smaller and there are not so many. Out on the coast there may be just about as good fishing as formerly, but there is not such a large area of ground that we get a uniform fishing out of. That is what I base my opinion upon.

Q. I may say to you that the statistics of the department have shown that there are more traps employed, is not that so?

Mr. VENNING.—The difference between 1,100,000 and 1,300,000 giving the round numbers.

Mr. JAMESON.—In 10 years?

Mr. VENNING.—In 11 years.

The WITNESS.—That means a difference of 200,000 traps.

*By Mr. Jameson:*

Q. There is practically the same quantity of lobsters canned and an increased quantity of live lobsters exported.

Mr. VENNING.—There was an increase from Prince Edward Island, a slight decrease in Nova Scotia and an increase in New Brunswick.

The WITNESS.—I think the reports show a little decrease, but, of course, any of the fishing industries will fluctuate. You may get an extra large catch this year and

next year may not be quite so good, but on the whole, I think you will find there is a slight decline.

Q. Would you think the decline that we have observed is more serious than shown by these figures?—A. No, I do not.

*By Mr. Maclean (Lunenburg):*

Q. Did you ever hear of a proposition to stop the catching of lobsters for a time?—A. I have heard of that. It was brought before us 11 years ago. It was suggested by some that there should be a close season for two or three years. Still we have kept on for 11 years since that and there is not a very great difference. I cannot see that there is a very great difference in the catch. I think if you could devise some means whereby you could give the lobsters a little more protection it would be better, for instance, if you had more hatcheries on the coast, and it might bring the industry up again.

Q. An American authority says we should catch the small ones and let the big ones go?—A. Yes, but if you kill the juveniles where will you get the adults?

Q. There is something in that?—A. You know the old fellows soon get off the stage of action if there are no young fellows to take their place. In the case of men that would soon depopulate the country, and I suppose it would be the same with the lobsters.

Witness discharged.

Mr. GEORGE WALSH, called, sworn and examined.

*By the Chairman:*

Q. Mr. Walsh, are you a fisherman?—A. I have been.

Q. Most of your life?—A. Yes.

Q. How many years were you engaged in the industry?—A. In the different kinds of fishing about 30 years.

Q. You are not a packer?—A. Not a packer.

Q. You live where?—A. Canso.

Q. And you are familiar with the lobster industry as carried on in Canso?—A. Yes, in that locality.

Q. Do you think that the industry is being depleted at Canso?—A. Not to any great extent.

Q. Do you think the industry at Canso is about as good as it was years ago?—A. Not as good as it was 20 or 25 years ago.

Q. The number of large lobsters—A. Has decreased.

Q. Are there about as many caught?—A. Well, there are about the same quantity caught.

Q. Has the number of traps increased very much?—A. Oh, yes, the number—

Q. And the number of fishermen?—A. The number of traps has increased more in proportion than the number of fishermen.

Q. Are there many undersized lobsters caught?—A. Under our present limit?

Q. Under the 8-inch limit?—A. Well, in the locality where I fished lobsters I would consider very few.

Q. What proportion would you say?—A. About 2 per cent under 8 inches.

Q. There are very few then you say under 8 inches?—A. And there are not a great number 8 inches, that is in our locality. I am only speaking of our locality.

Q. What size are the lobsters there?—A. Well, I should say there would be 5 to 10 per cent 8 inches. From that to 9 probably there would be 10 per cent and from 9 say to 10½ inches somewhere from 50 to 70 per cent probably, that is roughly speaking, and the remainder from 10½ up. That would be roughly speaking.

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Q. You say that there is an increase in the number of traps used by the fishermen?—A. Yes.

Q. Well, suppose a fisherman used the same number of traps right along during the last 5 years, what would be the effect, would he be able to catch as many?—A. Well, I have been talking to two different parties just previous to the time I came here. Each said there was no difference between their catch this last 5 years or a very slight difference with the same number of traps and on the same fishing ground.

Q. Is the fishing ground limited in your district, that is is there room for very many more fishermen?—A. No, there is not.

Q. How far out can you go and fish successfully?—A. It depends upon the season. The early part of the season you go in deep water and the latter part of the season you have to fish in shallow water, in on the shores which limits the space.

Q. And do you say that all the good berths are taken up along the coast with which you are familiar?—A. Yes.

Q. And that you could not increase the number of fishermen without displacing some of those that are already occupying the ground?—A. Not at all.

Q. Then you could not increase the number of fishermen very much?—A. Not very well.

Q. What are the names of these men that fished for five years with the same number of traps and caught the same amount of fish?—A. William Stryder and Patrick Dollard. Those are the two.

Q. They are both Canso fishermen?—A. Mr. Stryder, I think, told me he had fished for some 25 years and I know he did too.

Q. What proportion of the fish caught in the district that you are familiar with are berried lobsters?—A. Well, that depends again upon the season. We are supposed to have from the 1st April to the last of June as our season. Well, very seldom the fishermen get to work before the 15th or 20th of April. Then there is a very small proportion of berried lobsters, say 3 per cent to 4 per cent, I would not state exactly.

Q. That is in the first part of the season?—A. In the first part of the season.

Q. What about the latter part?—A. The latter part I would not like to say.

Q. There is a larger proportion you would say?—A. Quite a larger proportion in the latter part. Perhaps I would exaggerate it if I said there was 20 per cent.

Q. Do you think you would estimate that the berried lobsters caught during the latter part of June would amount to 20 per cent of the total catch?—A. Pretty nearly so. I would not like to say definitely, but pretty nearly.

Q. Do you agree with the last witness that by shortening the season to the latter part of June you would save a great many of these berried lobsters?—A. Yes, you would save a great many of the berried lobsters but you would deprive quite a number of fishermen of their privilege for the season. Those that fish inshore the latter part of the season cannot fish outside the first part of the season. Those that fish outside during the first part of the season take up their gear before the season ends and the inside folks have the fishing berths as we call them. I think there is about one-third of our fishermen take up their gear about the 1st of June.

Q. Have you seen berries on small lobsters?—A. Very few on small lobsters. I have seen them on about 8-inch lobsters two or three different times, but not more than that. Between 9 and 10-inch seems to be the better lobsters for berries.

Q. What do you say about the enforcement of the law in your district?—A. In what way?

Q. Is it enforced?—A. No.

Q. Is it violated?—A. Yes.

*By Mr. Maclean (Lunenburg):*

Q. With the exception of the two per cent it is observed?—A. Of two per cent? Yes, that is right.

Q. From what part of Guysborough do you come?—A. From Canso.

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Q. Mr. Sinclair's county has a bad name somehow?—A. The county is all right but it may have bad people in it.

*By the Chairman:*

Q. Mr. Maclean is joking. You say the enforcement of the law would not stop the lobster industry in that district?—A. I don't think it would affect it any or very little.

*By Mr. Fraser:*

Q. You are a real fisherman are you?—A. A real fisherman. I was put into a boat when I was pretty small. I have had 30 years experience at different kinds of fishing and I have had about 11 years experience buying and bringing fish and lobsters of different kinds into factories and firms.

Q. Were you fishing lobsters last year?—A. Not for 11 years. I have not been fishing lobsters for that time.

Q. What have you been doing then?—A. I have been purchasing lobsters for the factories and purchasing different kinds of fish.

Q. How many factories did you purchase for?—A. None now at all. I only purchase now cod and haddock.

Q. Have you not had anything to do with lobsters this last ten or eleven years?—A. Up to five years ago I bought lots of lobsters, bought them from the fishermen.

Q. During the last five years you have not been so closely in touch with the lobster business?—A. Not so closely.

Q. Is there a lobster factory near where you live?—A. Yes, quite close too. Three there should be.

Q. How many cases on the average are there packed in these three factories?—A. Oh, well, I could not rightly say.

Q. You have no idea?—A. I might have a rough idea.

Q. Give us a rough idea of the number of cases packed in any one?—A. Well it would not apply to every year. Now, last year the Portland Packing Company closed down their factory and left the burden of lobsters with Sproule, the Digby man.

Q. They closed their factory altogether?—A. Altogether the latter part of the season.

Q. You say they closed down during the latter part of the season?—A. The latter part of the season.

Q. What was the reason for closing?—A. They said the price was too high, they could not buy. Eventually the lobster catch was left with the fishermen but Sproule he carried the burden through as well as he could. In that case he packed more than he had done in other years. I could not quite say how many cases he packed.

Q. Give us an idea of the earnings on the average of a fisherman? How much would he earn in a season just from lobsters alone?—A. From lobsters alone?

Q. Just the average, or what you think would be the average earnings of a fisherman?—A. I could not say.

*By Mr. Maclean (Lunenburg):*

Q. Take that class of man, how much would he earn?—A. Some would not earn \$50 a month.

Q. What would be the earnings of the big man?—A. The good man would earn probably \$350.

*By Mr. Fraser:*

Q. \$350 for the season?—A. Oh, no, for the month.

Q. How many months would the season extend over?—A. It opens perhaps from the 15th April to the 1st July, probably from the 20th April to the 1st July.



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Q. You have two classes of fishermen, deep water and shallow water fishermen?  
—A. Practically so.

Q. You say practically?—A. Because the deep water fishermen cannot come in where the shallow water fisherman did on account of there being no room, no space.

Q. Has he been there waiting to head off the other man?—A. He has been waiting because he did not get any hardly the first part of the season. The man that is on the outer edge or in deep water then catches quantities of lobsters. We can put our gear down in deep water by about the 1st May. Then we would shift up a bit. In June we would shift a little more. Then we would come in further until our traps would be in one fathom of water, otherwise in stormy weather we would get them all smashed to pieces.

Q. I may tell the committee that is the custom in Prince Edward Island to shift their traps in. That is the way they follow the industry there?—A. But we have not the room for that now, there are too many traps. Our fishermen have got too many traps.

Q. Do you think there are enough canneries in your district?—A. Well, there was not last year, that is when the Portland Packing Company stopped because we only had one. There were only those two factories in Canso last year buying lobsters and when one stopped there was only one left.

*By Hon. Mr. Brodeur:*

Q. What was the reason given by the Portland Packing Company for closing their factory before the end of the season?—A. They said the price was too high, they could not afford to buy.

*By Mr. Fraser:*

Q. Is there any feeling there against the Portland Packing Company being allowed to do business?—A. Not at all, as far as I know.

Q. Would the fishermen sell their pack if they had a canning license?—A. I could not answer that question.

*By Mr. Maclean (Lunenburg):*

Q. Are you in favour of every lobster man being allowed to can his own lobsters if he wants to?—A. I don't think every one would be entitled to it. I know I would not if I was fishing lobsters, I would not know how.

*By Mr. Fraser:*

Q. Do you think the live lobster trade could be worked up?—A. It is all right if you could have the consumption for them, for your live lobsters.

Q. If the trade was started don't you think there would be a consumption here?  
—A. I imagine there would. I don't see why Canada should be behind any other country in working up an industry.

Q. What transportation facilities would they require to have in order to establish a successful trade in live lobsters say to Montreal?—A. From our locality to Montreal?

Q. Yes?—A. We would want a railway.

Q. I understand there is a railway down there already?—A. Not within 30 miles.

Hon. Mr. BRODEUR.—Not at Canso. But you have got a boat to transport your fish to the railway?—A. It is very poor transportation.

Q. Shipments are made from Mulgrave to Montreal, do they not come from Canso?—A. Largely from Canso.

Q. And transportation is made there by this boat?—A. By this boat.

Q. What is the percentage of lobsters which are caught under the 8 inch size limit?—A. Well, I would say about 2 per cent in our locality.

Q. Just 2 per cent?—A. About that.

Q. I suppose there would be no objection then to carrying out the 8 inch regula-

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tion?—A. Not at all. I don't see that the percentage under 8 inches would affect either the packers or the fishermen.

*By the Chairman:*

Q. How does the size in your locality compare with the size in Richmond county?—A. They differ quite a lot.

Q. You have purchased lobsters in Richmond county?—A. Yes. They are a very much smaller size than in our county.

*By Mr. Maclean (Lunenburg):*

Q. You do not favour a reduction in size limit then?—A. I don't see that it is necessary.

Q. Do you favour a shortening of the season as Mr. Whitman stated?—A. I would only as I expressed a while ago that one-half our fishermen would not have the whole season, would not have an equal share with the other class that fish in deep water.

*By Hon. Mr. Brodeur:*

Q. Is there a larger percentage of lobsters under the size limit caught at Guysborough than at Canso?—A. I would not answer. I would not be prepared to answer that. I don't think there is much difference from Guysborough to Whitehead. I have purchased them at Whitehead up around the coast of Canso to Cape Breton.

*By The Chairman:*

Q. Do you think that extends to Halifax?—A. I could not say. I speak only of where I have worked.

*By Hon. Mr. Brodeur:*

Q. I am speaking of the district between Canso and Guysborough?—A. They are about the same from Guysborough to Whitehead. I imagine they would be about the same. But Cape Breton is quite different.

*By Mr. Maclean (Lunenburg):*

Q. Then the cannery are canning every lobster around the eastern end of Guysborough?—A. Pretty well, that is as far as the size is concerned.

Hon. Mr. BRODEUR.—I would like to ask Mr. Whitman a question. Mr. Whitman, in Guysborough is only 2 per cent of the lobsters caught under the size limit?

Mr. WHITMAN.—The lobsters are smaller. My contention is that they are smaller in the bay than they are at Canso. That would be my statement.

Q. What would be the percentage between 7 and 8 inches?—A. I would not like to make any statement.

Q. Would it be 10, 15 or 25 per cent?—A. Possibly there would be 15 per cent. I would say there would not be under that. My experience is that in the bays like Chedabucto they are small, there is a large percentage of smaller lobsters than there is on the outside coast.

*By the Chairman:*

Q. How many 8-inch lobsters would it take to fill a can?—A. It would take 9 or 10 now because there won't be half a pound of meat come out of a 8-inch lobster.

*By Mr. Loggie:*

Q. Would you tell us how many lobsters it takes on the average to fill a can for these factories?—A. I could not tell you that.

Q. Give it to us approximately?—A. A 10-inch lobster will weigh about 2½ lbs.

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*By Mr. Maclean (Lunenburg):*

Q. One lobster?—A. A 10-inch lobster that will weigh 2½ lbs. That is unless I am away off.

*By Hon. Mr. Brodeur:*

Q. Are you very sure about those figures?—A. A 10-inch lobster generally weighs 2 lbs. with his shell on. I am thinking of the weight of the lobster with the shell on.

Mr. MACLEAN.—Mr. Todd has a gentleman from his constituency he would like to have called.

Mr. TODD.—I would say to the committee that Mr. Connors, who is a large packer of lobsters and other fish, has been up here on a delegation on other business, and I asked him if he would consent to be interviewed and he said that he would gladly appear before the committee.

The CHAIRMAN.—I want to ask Mr. Keating a few questions, he is here representing the Fishermen's Union of Canso.

Mr. ALEXANDER KEATING, called, sworn and examined.

*By the Chairman:*

Q. You live at Canso, Mr. Keating?—A. Yes, sir.

C. You are the secretary of the Fishermen's Union there?—A. Yes.

Q. That union consists of how many members?—A. About fifty. I do not know just how many.

Q. What is the number or name of the union?—A. No. 27.

Q. How long has it been in existence?—A. Since a year ago last May.

Q. Have you consulted the union relating to the lobster industry? Have you had any consultation with the union in your district?—A. I have, and if I may be permitted to say, when I received this notice from the committee to attend this meeting by the wording of the notice I did not presume or suppose I was wanted to come here with any particular cut and dried opinions on any particular class of fishermen or packers. However, I took it on myself to call a meeting and invited some in the district who wished to come in, and quite a few of the packers and others attended the meeting. I will be glad to give some of their views; at the time I did not know what questions would come up before this committee, and I just took a few notes at that meeting about what we thought would possibly come before us, and I can read them, if you like.

Q. What you are going to read to us is what was agreed upon at a meeting concerning the lobster industry?—A. It was not agreed upon—I am on my oath and of course I must be careful—it was not agreed on in the formal way that it was not passed as a resolution.

Q. But it was talked over and assented to by the meeting?—A. Yes. The first is, 'The season in Canso and vicinity.' The season works all right, we have three months, but often we cannot fish the whole time; generally there is not much doing before the 15th of April, and by the latter part of June the lobsters are getting scarce and we go at other fishing. As to the size limit, the eight-inch minimum size for packing lobsters also works well in Canso, as the lobsters here generally run a good size and the percentage taken under eight inches is very small. We do not consider that the change in the Massachusetts law allowing lobsters down to nine inches has benefited us, as by so many lobsters going in the market has been kept down and we have lost on the price of the large fish besides the shortness of work at the factories that are losing the work of packing. As to the canners' licenses, while in Canso we have four licenses granted to pack, two of these are worked and the other two have not been worked for the past six years. The holders of these two unworked licenses get a small pack put up for them, a sufficient number of cases to



enable them to hold the licenses, which we do not think is to our interest and it should be done away with. Let any packer come in who would wish to. It might be well, however, to have all lobsters packed pass the government inspection.

Now, as to propagation, while there can be no question but that the better way would be to return the berried lobster to the sea, this has been found impracticable. The hatcheries established by the government do good work in helping along the propagation. We know from observation that at the hatcheries here the young lobsters come out and we have every reason to believe that good results will come from it, both to the fishermen and to the packer, who will be encouraged to save the eggs in good condition. The work of the hatcheries might be supplemented by pounds. That is about all the points that were dealt with at that meeting. We had no discussion, we did not know of any others, or we might have dealt with them.

*By Hon. Mr. Brodeur:*

Q. Will you tell me why it would be impossible to return to the sea the berried lobsters?—A. It would not be impracticable, but it has been found to be impracticable when the law was against the taking of berried lobsters.

Q. Has the law ever been different regarding the taking of berried lobsters?—A. I thought it had always been against the law to take the berried lobster?—A. The taking of berried lobsters was prohibited until the establishment of the hatcheries.

*By Mr. Maclean:*

Q. Since the hatcheries have been established down there the government buy the eggs from the berried lobster for the hatcheries.

*By the Chairman:*

Q. How did the Massachusetts regulations injure the Canadian fisherman. I understood you to say that the reduction of the size limit had worked to the injury of the fisherman?—A. There were so many market lobsters shipped during the month of June last year that the market prices in Boston slumped, and the result was that the packers lost a considerable portion of their supply and the fishermen did not get packing prices for their lobsters. The lobster market was overloaded, and then we lost all our markets. There is a considerable percentage of market lobsters, that is fish over 10½ inches, in our catch and in other years we have received a good price on those fish, whereas last year they were less in many cases than packing prices.

Q. You say that the market is limited for the fresh lobster, so limited that by the time the 9-inch lobster came in it broke the market?—A. The United States market was not limited of course, but so many more went in that it had the effect that Massachusetts wished, I suppose, it broke the market.

Q. They got the lobsters cheaper, and that is what they wanted?—A. Yes.

Q. Do you agree with the last witness that the usual lobster caught in your district is 8 inches and over?—A. There are very few under eight inches, not many under eight inches in our district.

*By Hon. Mr. Brodeur:*

Q. You told us that there are four canning licenses in Canso and that two of the factories have not been operated?—A. For the past six years.

Q. And they have been renewed every year by the people holding them?—A. That is the supposition.

Q. Will you give us the names of those people?—A. H. L. Foran, and the Whitman Fish Company is the other, or it may be in the name of A. H. Whitman.

*By Mr. Maclean:*

Q. Do you find the hatchery an aid towards encouraging the saving of seed lobsters?—A. They save the seed, of course, which goes to the hatchery.



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*By Mr. Loggie.*

Q. What happens to a lobster after the seed is taken?—A. They are boiled.

*By Mr. Maclean:*

Q. Who boils them?—A. The factories.

Q. Does the hatchery sell the lobsters to the canneries?—A. No, the lobsters are all taken into the factory and the factory is supposed to save the seed and send it to the hatchery.

Mr. CUNNINGHAM.—They appoint one of their men to take the seed from the lobsters and we pay that man.

*By Mr. Maclean:*

Q. Then does your association believe in unrestricted licenses for canning?—A. Yes.

Q. In the unrestricted issue?—A. Yes.

Q. They believe in giving a license to anybody and everybody?—A. Yes.

Q. Do you think that is wise, personally, I mean. I do not ask you to speak for the Association now?—A. I would think it is wise.

Q. Why?—A. I do not believe in shutting any one out who wishes to come in.

Q. Do you not think it is a serious thing to preserve the character of the goods to be canned?—A. There should be some provision made for that.

Q. Do you think that any man who is fishing can put up lobsters fit for the market?—A. No, I do not think that; but I believe in unrestricted issue of the licenses and not the limiting of licenses.

Q. Mind you, I am not talking about restricting it, but I ask you if you are in favour of the unrestricted issue of licenses?—A. Yes, because I do not believe it will make any difference at present.

Q. In what way?—A. Because it is not bringing in any more at present.

Q. What good would it do to issue them wholesale?—A. Well, the law would not be there and they would not feel badly about it.

*By Mr. Warburton:*

Q. Your idea is that every one would get an equal chance?—A. That is my idea.

*By Mr. Maclean:*

Q. Do you not think it will hurt the lobster business if some fellow comes along some day, and puts up a lot of lobsters improperly, will it not hurt the trade?—A. There should be some provision that they are to be put under government inspection. But there isn't any fear in these days, particularly, of lobster men putting up bad lobsters; the market is too particular. If they did put up bad ones one year they would likely go out of business the next.

Q. Perhaps you might put the consumer out of business?—A. Well, there is a risk in eating canned goods anyway, no matter by whom they are put up.

Q. Would you favour a restriction of the season, a shortening of the season?—A. As far as my own opinion goes I think that should be governed. If the lobsters hold out as they are, probably we can get on as we have been going; but as soon as they show a serious decline—they seem to be holding their own for the past five years pretty well—but as soon as they show a decline something will have to be done, and that will be one of the easiest and best things to be done, the shortening of the season at the end of the season, because to shorten it at the beginning would not be any good as regards the lobster industry, because there are not very many berried lobsters at that time.

*By Mr. Mackenzie:*

Q. Is there, then, a certain season in which you can fish lobsters; supposing there were no regulations regarding the time, are there certain portions of the year when you could catch lobsters and others when you could not, supposing the season permitted it?—A. We could not get them in the winter.

Q. But at other seasons of the year?—A. You could get them from spring to fall, but no one would want to fish in August, when they are soft shelled.

Q. They are not fit to fish then?—A. No.

Q. But take codfish, there are certain times of the year when you can get codfish, and there are other times when you can not?—A. Yes, but codfish are different. There are certain times of the year when they come in, and then they pass out, but the lobster comes to the shore in the spring and stays until the fall, and moreover he is particularly easy to catch in the smooth weather in the fall. You will catch as many lobsters in one month in the fall as you will catch in the spring from the fact that everything favours the fishermen. You can fish every day, the weather will probably be fine every day, and the lobsters then will be spawning.

Q. Is the fall their spawning season?—A. Well, along in August and September.

Q. You say that in the fall you can get more lobsters but that they are not marketable then owing to the soft shell?—A. Only during August, they are shipped from say September.

Q. In September and October they are all right?—A. From the latter part of September and October.

*By Mr. Loggie:*

Q. Give us a reason why the Portland Packing Company closed their factory, what is the reason?—A. The fact of the matter is that the lobsters got too high.

Q. What prices were they paying for them at canneries?—A. They were paying \$4.25.

Q. That is \$85 per ton?—A. For lobsters, and that I consider too high for packing, and that is what is the matter with the market to-day.

Q. I do not know that it is too high with the extreme prices for canned lobsters last year?—A. I know the canned lobsters came too high.

Q. They closed, you say, because they could not make a profit in the operation of the factory, that is the reason they closed? Is not that the reason?—A. Undoubtedly.

Q. If they had operated two factories, the one beside the other, would they not have made less profit on the lobsters just in order to keep the two factories going? They could put them up at less cost per case in the one packing than they could in two packings—in order to make ends meet they would have to pay less for the lobsters, to the fishermen, if they operated two factories at additional expense than if they operated one.—A. I suppose so.

Q. Can you tell us how many lobsters it takes for the can?—A. I cannot.

Q. How many approximately?—A. I cannot tell you. I am a fisherman, but not in the lobster business. But I think I have heard it said that it takes 5 lbs. of green lobsters to make a pound of meat.

Q. And very good lobsters at that?—A. But what their average for the season was I could not say.

Q. Can you tell how many lobsters there would be in that five pounds of green lobsters, or how many fish, in actual lobsters, you would have in 100 pounds of green fish?—A. I could not tell you that.

*By Mr. Mackenzie:*

Q. Just one question, perhaps you have already answered it. You are secretary of that association?—A. Yes.

Q. If you had influence, or supposing that you were a legislator and had the

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power to better matters down there, what would you tell this Committee you would do in order to better the condition of the fishermen, and at the same time to conserve the fish, that is in the lobster trade; is there anything in particular strikes your mind that should be done?—A. I think I would raise the limit up to what it was before. It is now eight inches, is it not?

Q. Yes. A. I would raise it to nine inches, and if it should go below that I would abolish it altogether, and then centre my interests in the seed lobster. If the size limit was not workable I would abolish it altogether and look to the seed lobster.

The CHAIRMAN.—How large is the lobster before he has berries on?—A. They say about 9 inches.

*By Mr. Mackenzie:*

Q. One thing you would do, you would put the lobster limit at nine inches, that is the smallest lobster you would catch?—A. Yes, that is if I was looking at the interest of the fishery, that only suits our particular section.

Q. You are only talking of your own section.—A. As we go north the lobster is correspondingly smaller; in fact as we go two miles up the bay they are smaller.

*By Mr. Maclean:*

Q. Do the canners observe the rules pretty well as regard the size?—A. Excuse me?

*By Mr. Mackenzie:*

Q. Would you shorten the season?—A. I would shorten the season.

*By Mr. Maclean:*

Q. Do the canners observe the rule pretty well as regards size?—A. I cannot just say.

*By The Chairman:*

Q. Do they pack everything that comes to them?—A. I daresay; oh, yes, they do. With a size limit as it exists now in Canso of eight inches, there is not much trouble, because there are not many lobsters under eight inches in Canso. I have my own opinion of the fisherman who will bring a lobster less than that from the sea, because they will scarcely live until they get to shore. The lobsters are brought in by smack. Very few of the fishermen bring them direct to the factory, they are put in cars and shipped in, and stay in the cars probably four or five days.

Q. They observe the law pretty well, then?—A. They are not of much use to them, because when they get down so small as that, if you put a lobster of that size in the car with other lobsters they are eaten up in a few minutes.

*By the Chairman:*

Q. Do you think the lobster is smaller in Cape Breton than in other parts of Nova Scotia?—A. I think so.

Q. Have you any proof of that.

Mr. MACKENZIE.—You had better not follow that question up too far.

Mr. MACLEAN.—It is a possible thing.

Mr. MACKENZIE.—I do not think it is probable or possible.

*By the Chairman:*

Q. There is a time when the lobster ceases to cast his shell, at a certain age?—A. Yes.

Q. If you found a lobster of that kind you would know, I suppose, whether it would be full grown—that is if it was not a dwarf?—A. Yes.

Q. Are there any lobsters of that kind taken; do you know a lobster, that it is full grown, when you see it? They say that a lobster is full grown when you see



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barnacles on his shell, that he could not possibly have shed his shell that year. But I have heard fishermen say occasionally that they come across lobsters under nine inches on our coast with hard shells, and I have heard other fishermen say, before I became a packer, that up north they have found lobsters smaller than that with hard shells, under eight inches, that had practically come to their full growth.

Witness retired.

Mr. LEWIS CONNORS, of Connors Bros., Limited, called, sworn and examined.

*By Mr. Maclean:*

Q. You belong to New Brunswick, Mr. Connors?—A. Yes.

Q. You reside where?—A. Black's Harbour, Charlotte county.

Q. Do you can there?—A. Yes, sir, we can there.

Q. How many cases do you can during the year?—A. We do not can as many lobsters as we do other fish.

Q. How many lobsters?—A. Of late years only 200 or 300 cases.

Q. What is the length of the lobster season there?—A. The lobster season there is from January to the 15th of June, I think.

Q. What is your size limit?—A. Nine inches.

Q. Do your fishermen observe that law pretty well?—A. Pretty well.

Q. How do you do in your business as to the size limit?—A. We do not buy them; it does not pay us to take them under nine inches; it would not pay us to take small lobsters.

Q. So you keep it pretty well?—A. Pretty well, yes, sir. Sometimes we ship live lobsters to the States and to Montreal. They are nine and ten inch lobsters, and we ship them through to New York alive, that is sometimes when the price is good. And when the price is not good, there are other shippers besides ourselves, we can them. Some seasons we can a thousand cases.

Q. Does the season seem to satisfy your people pretty well there?—A. It satisfies us cannery very well, but the fishermen complain that they would sooner have an open season so as to fish the year round the same as they do on the coast of Maine. That is the reason that, you take October, November and December, the lobsters come in shore so that they can catch them better than in January, February or March.

Q. There is no season limit in Maine?—A. No, it is an open season in Maine.

Q. Well, is there any complaint about the size limit in your district?—A. About the size, no, I hardly ever hear any complaint about that.

Q. They are satisfied?—A. Yes, satisfied.

Q. And they observe it pretty well?—A. Pretty well, yes, there may be a small percentage there under size.

Q. How many cannery, licenses are issued in that county?—A. Three, I think. Burnham & Morrel, one to B. A. Williams and one to Connors Bros., Limited, that is all.

Q. Are there any demands for more licenses?—A. I have not heard of any.

Q. And you do not want to hear of any?—A. No, we do not want to hear of any more. I do not think it is well to give everybody a license, because perhaps they might not understand packing lobsters, and to get bad goods on the market, of course, we understand that is injurious to the canned goods trade.

Q. What is about the minimum charge for operating a canning factory during the season?—A. The minimum charge?

Q. Yes, the cost?—A. Lobster packing?

*By Hon. Mr. Brodenr:*

Q. The fixed charges?



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*By Mr. Maclean:*

Q. The minimum fixed charges?—A. What do you mean, the cost of putting up the goods?

Q. Yes, to run a small-sized plant by an ordinary packer?—A. That depends a good deal upon what kind of rig you have, what boiler, steam, &c.; you mean what a factory will cost?

Q. Yes?—A. Well, a good rig to put up lobsters will cost about \$6,000 to \$10,000.

Q. What do your wages amount to annually, in your own case?—A. Of course, although this is a lobster factory, we put up other goods, you know, besides lobsters.

Q. I see, so you cannot separate them?—A. No, I cannot separate them.

Q. You are pretty well satisfied with things as they are?—A. Yes, they suit us pretty well as they are. The fishermen would like an open season to fish all the year round, so as not to have to break the laws. They would like to fish in October. There is a general complaint that we should have the law shaped so as to allow fishing all the year around.

*By Hon. Mr. Brodeur:*

Q. Do the cannery observe the close season?—A. Yes.

*By Mr. Maclean:*

Q. Do the fishermen observe it pretty well?—A. It is pretty hard for a packer to always tell what the fishermen are doing.

Q. You would not favour the abolition of the season limit?—A. That is an open season you are on now?

Q. Yes?—A. I think I would.

*By Mr. Todd:*

Q. If you made it a 10½-inch limit would not that be satisfactory?—A. No, I do not think so. I think there are a great many lobsters below 10 inches, especially on Grand Manan. Of course, in these deep waters we catch large lobsters, there are very few little ones. That will be all right for places like that, but take a good many places where the lobster runs pretty small, from eight inches to twelve inches, it would not be all right.

*By Mr. Maclean:*

Q. Do the Charlotte county fishermen tempt you now by bringing berried lobsters or undersized lobsters?—A. Sometimes they ask us if we will take them.

Q. You always say, no?—A. Really it would not pay us to take them.

Q. Have you any suggestions to make to the Committee about lobsters?—A. There is this I would say about it, that from what I hear in talking, and what I know about it, I think that in different localities it would be of advantage to them to have different open seasons, and perhaps different sizes.

Q. In one county?—A. In one county or in several counties. You know there are a good many counties on our coast.

*By the Chairman:*

Q. That is what we have now, we have eight or nine districts and we have three size limits?—A. Then I do not see that you could have it much better than what you have.

Q. What do you say about the lobster industry in your district, do you find the lobsters getting smaller year by year?—A. The last eight or ten years they have not, but I can remember that twenty years ago we used to ship lobsters to the States. At one time we used to ship all the lobsters between St. John and Eastwood, and we

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used to buy great big lobsters, four or five pounds, for four cents apiece. The price kept going up until this last winter we were paying as high as 28 cents and up to 35 cents apiece for these big lobsters. The greater part of these lobsters are shipped away and there are a great many small ones, and it is only now and again that we have a chance to get lobsters to can.

Q. Do you say that within the last ten years there has been no change?—A. No, I do not think there has been any change in that respect.

Q. You have no hatchery to help you there?—A. No, that is one thing I would recommend that there should be a hatchery on the coast of Charlotte county.

Q. Are there any on the coast of Maine?—A. Yes, there are some on the coast of Maine, some hatcheries.

Q. What is the system adopted in dealing with berried lobsters there?—A. I think the American Bureau employs buyers to obtain them.

Q. What do they do with the lobsters after taking the berries?—A. I understand they take them away to the hatcheries. The Americans buy a great many very small lobsters.

Q. They have pounds, have they?—A. Yes, and the American buyers come in and buy a good many of their large lobsters and small ones too.

Q. Well, if the season were made an open one all the year round, what would be the purpose of putting lobsters in pounds? A. Well it is to protect the spawn.

Q. Do they keep them there always?—A. In these pounds? I don't know very much about a pound.

*By Hon. Mr. Brodeur:*

Q. They sell them at a good time?—A. In these pounds they can hold the lobster until the price goes up.

*By the Chairman:*

Q. You are not familiar with the way they deal with berried lobsters?—A. No. They handle them in these pounds or hatcheries. I don't know very much about them, but I understand they are a great advantage to the lobster industry.

*By Mr. Todd:*

Q. In the interest of the fishermen and of the canning factories would you consider that 9 inches was a good size?—A. I would say that was a good size.

Q. Is the market increasing every year for the sale of live lobsters?—A. Yes, there is a big sale for live lobsters in the States—in Boston, New York and Portland, Maine.

Q. How many did you sell last year from your factory?—A. We went out of the business a good deal because there are so many buyers that come there and ship themselves. Years ago we used to ship thousands of barrels to Boston.

Q. How many tons did you ship in a year by barrel?—A. We only shipped from about 5 to 10 tons. We went more into the canned goods business, sardines and things like that. There were times when we used to can as high as a thousand or two thousand lobsters.

Q. Do you not think that a large market could be made in Canada for live lobsters?—A. I don't see any reason why. They can be shipped alive as far as Montreal, it depends a good deal upon the facilities for carrying them. Of course, there needs to be great despatch in carrying them alive. Or they can be boiled and shipped that way.

Q. Do you think there is a good opening for live lobsters?—A. There should be, the market should increase. We sent some to Montreal that proved very well. But after we get our system of quick dispatch from our shores to St. John, as we were talking about, then we will be in a better way to get them forwarded quicker.

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Q. Do you not think it would be well if pounds could be established in our county and prevent the berried lobsters from being taken over to the shores of Maine?—A. I think it would be a big advantage. It would keep the lobsters on the shores of Charlotte county instead of taking them away to the States. That is the way the thing has been going on. The lobsters have been sent away, thus robbing our own shores. They have only been commencing for the last three years taking them away, but, of course the lobster is looked upon as a pretty valuable thing nowadays more than used to be the case. The markets are up to that idea, they see that it is a good thing for them. Therefore, it would be a great advantage to save the lobsters for the shores of Charlotte county. It would be a good thing to look after that.

*By Mr. Mackenzie:*

Q. You would prevent seed lobsters from being taken out of the county?—A. How is that?

Q. Would you stop the exportation of seed lobsters altogether?—A. Yes, it should be stopped.

Q. Do you think it is a bad policy to allow that trade to go on?—A. It is a bad policy to allow them to go out. The seed lobsters should be put back into the water as they used to be.

Q. Have you any theory of yours for the preserving or saving of the lobster?—A. Are you speaking of the seed lobster?

Q. Yes?—A. That is the preserving of it?

Q. Yes, say that until it would propagate?—A. No, I never experimented in that.

Q. You have no theory of your own?—A. No. I understand about the canning of lobsters, but I never caught any lobsters myself.

*By Mr. Loggie:*

Q. Under the new law you can export everything in a fresh condition to the United States?—A. Yes, all shell fish is exempt under the Washington Treaty.

Q. Lobsters nine inches are allowed on the Boston market?—A. Yes, at the present time, but not in the State of Maine.

Q. That is only within the year, is it not?—A. We have been shipping small lobsters to New York, and other shippers have too, for the last eight or ten years.

Q. I thought they raised the size in Boston a year ago or something of that kind?—A. They did in Boston, but we used to ship to New York.

Q. You were shipping from nine to ten and a half inches?—A. From nine to ten and a half inches.

Q. How many lobsters would it take to make a pound can?—A. Our average was five lobsters.

Q. Five lobsters to the pound can?—A. Yes, to the pound can, but you know that would not mean a pound of solid meat. You would know that, as you have been packing lobsters yourself.

Q. It would be pretty nearly a pound of solid meat?—A. Pretty nearly.

Q. I know what you are referring to, you refer to the presence of a little fluid?—A. A little fluid, yes.

Q. How is it with the lobsters now, just as you get them; how many would it take to the can?—A. Between nine and ten and a half inches?

Q. Take them as they are brought on shore?—A. Well that is the size we can. It takes just the same now as it did formerly.

Q. Do you can lobsters over 10½ inches?—A. Those are generally shipped away, there is more money in shipping them away, you know. Of course, there are times when you can lobsters that are larger because you cannot ship them fresh.

Q. The conditions are entirely different from ours?—A. The conditions are entirely different.

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Q. You say about five lobsters to the can?—A. About five is the average, yes.

Witness discharged.

HON. MR. BRODEUR.—Mr. Kemp, the department's expert on oyster culture, has been waiting to undergo examination, but we have been requested by the Premier of Nova Scotia to allow him to give evidence before a committee of the legislature on Tuesday next. I think that before he is examined at Halifax we should examine him here. I do not know whether the committee would be willing to sit to-night for that purpose. I am afraid it would be pressing the thing too much on the good will of the members of the committee, and moreover we are almost surfeited with lobster. Mr. Kemp tells me that he will not be ready to give evidence this evening, therefore we had better adjourn until Thursday morning for that purpose.

Committee adjourned.



## APPENDIX No. 3

COMMITTEE ROOM No. 30,

HOUSE OF COMMONS,

Thursday, April 1, 1909.

The Select Standing Committee on Marine and Fisheries met at 11 o'clock a.m.

Mr. DANIEL.—The Chairman not being present I move that Mr. Kyte take the Chair.

Mr. JAMESON.—I second the motion.

Motion agreed to.

Mr. JOHN S. COUSINS, Park Corner, New London, P.E.I., called, sworn and examined.

*By Mr. Fraser:*

Q. Are you engaged in the lobster business?—A. Yes.

Q. How long have you been engaged in that business?—A. About 15 years.

Q. What part of the lobster business are you engaged in?—A. In canning.

Q. You are a canner?—A. Yes, sir.

Q. How many factories have you got?—A. One.

Q. Where is it situated?—A. At Park Corner.

Q. Is that on the north shore of Prince Edward Island or the south?—A. It is on the north side of Prince Edward Island.

Q. That is near Malpeque?—A. It is within five miles of Malpeque Bay.

Q. Are there many other factories near yours?—A. Yes, sir, quite a number.

Q. About how many cases of lobster did you put up last year and the year before?—A. About 400 cases last year.

Q. At one factory?—A. Yes, sir.

Q. How many boats would you employ for supplying lobsters for canning of those 400 cases?—A. Six boats.

Q. How many men to a boat?—A. Two to each boat.

*By the Chairman:*

Q. Is that the only source of supply, these six boats?—A. Yes, sir, those six boats.

*By Mr. Fraser:*

Q. This is altogether your own business?—A. Yes, sir.

Q. What was your average pack for the last five years, about the same, I suppose?—A. No, the average pack for the last five years would be under 300 cases.

Q. Last year you had a really good catch?—A. Yes, sir, in 1907 and 1908 we had about the same amount each year, canned about the same number of cases each year.

Q. You had more in those two years than in the two years previous?—A. Yes.

Q. Do you find that lobsters are diminishing or increasing in the waters you fish?—A. Well, they were as we thought diminishing up to 1907. In 1904, 1905 and 1906, they were not plentiful.

Q. That is three years?—A. Three years.

Q. They were plentiful during the last two years?—A. The last two they were quite plentiful.

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Q. Have you anything with you showing your average pack for the last ten years?  
—A. No, I have nothing to show, I have no records to show.

Q. As to the quantity of the lobsters obtainable, what is your opinion? Do you think the lobster is becoming more scarce or more plentiful? What is your opinion upon that?—A. Well, under ordinary conditions they are getting very much scarcer.

Q. You think although you had better packs during the last two years that the lobsters are getting scarcer?—A. Yes, sir; that is in the natural course of events they are getting scarcer.

Q. What do you mean by 'the natural course of events'?—A. They are gradually diminishing, that is what I mean.

Q. You mean diminishing in size do you?—A. Well, not any more in size than in quantity, I think.

Q. How does the size of the lobsters taken now compare with those caught three or four or five years ago? Is the average lobster getting smaller in size on the average than it was four or five years ago?—A. Well they were very much larger in 1907 and 1908 than they were previously, for several years previously.

Q. They were larger in size as well as more plentiful?—A. Yes, sir.

Q. Do you know any cause for the increase during those two years?—A. Well, I think I do.

Q. Would you state that cause to the committee?—A. I think it was caused by the ice. You know where we are located, it is in the bend of the island.

Q. In the bight?—A. In the bight of the island and in both years there was a large quantity of ice came in near the land, within about four or five miles of the land, and those lobsters seemed to come in before that ice and to stay there. That is how we account for those large catches in those two years.

*By Mr. Daniel:*

Q. How deep in the water would that ice be?—A. Well, there was some of that ice came in as near as eight fathoms and grounded there.

Q. Grounded at eight fathoms?—A. Yes, sir.

Q. Is the water in that part of the country shallow or deep, would eight fathoms depth be far out from the shore?—A. Yes.

Q. How far?—A. Oh, well, it is all owing to just where it may get, there are deep places and shallow places—reefs.

Q. Would it be three miles?—A. No, eight fathoms would not be three.

Q. Would it be two?—A. It would be from two to two and a half.

Q. Between two or three miles?—A. That is in some places. Of course there is deeper water inside that again.

*By Mr. Fraser:*

Q. Have you ever noticed in any other year that in consequence of the ice coming in lobsters have been more plentiful?—A. Not in my experience.

Q. Have you ever heard any one else say they have?—A. Yes, sir.

Mr. FRASER.—I may say to the committee that I have heard that when there was a lot of ice on the north side of the island lobsters seemed to be more plentiful.

Q. You have heard fishermen say that?—A. Yes, I have heard that.

*By the Chairman:*

Q. How did the catch in other sections of Prince Edward Island last year compare with that in your section?—A. I have to take the island all around to get what would be the average.

*By Mr. Fraser:*

Q. Especially on the north side, you may be sure of that?—A. Quite sure, yes.

Q. Had you, or your men, much more gear out in 1907 and 1908 than you had

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in 1905 and 1906 ?—A. Well, I don't think they had. They had the same number of boats. The gear might have been increased a little, but very little.

Q. What is your fishing seasons there ?—A. Well, the season commenced April 20 and ends July 10.

Q. Are you satisfied with that regulation ?—A. Well, personally I am not satisfied.

Q. Why are you not satisfied ?—A. Well——

Mr. DANIEL.—You want to get more lobsters I suppose ?

The WITNESS.—Well, the first part of the season where we are situated we cannot take advantage of it until May 1.

*By Mr. Fraser:*

Q. On account of——?—A. The ice. In the fifteen years I have been canning I have never got lobsters once in April, in the month of April.

Q. Now, Mr. Cousens, would you recommend a change in the opening date for Prince Edward Island or for the district you know ?—A. I would for the part that I know.

Q. What change would you recommend for that ?—A. I would recommend the 1st day of May for the opening.

Q. And about the closing ?—A. The last day of June.

*By Mr. McKenzie:*

Q. How far does the season extend into July now ?—A. Ten days.

Q. You would cut ten days off ?—A. Shorten the season.

*By Mr. Fraser:*

Q. You have heard about the new regulation, has it been put in force this year ?—A. Yes.

The season opens now on April 26 ?—A. Yes.

The CHAIRMAN.—They are seeking to make the change to that date.

Mr. FRASER.—I think the minister said the other day that he was going to put the new date in force. It was a change unanimously recommended by the legislature.

Mr. MCKENZIE.—Did you ask him if he thinks the legislature represents the views of the lobster people ?

Mr. FRASER.—There is one part who wish to have it on May 1 and the other want it the old date, so they compromised and adopted April 26. That is the new date.

Q. Have you any knowledge of the lobster industry on the south side of the island ?—A. No, sir, I have no personal knowledge of it.

Q. Now then we will come to the size limit. I suppose you know what is the size limit on Prince Edward Island—A. Yes.

Mr. MCKENZIE.—Is it the same uniform size all around the island ?

Mr. FRASER.—Yes.

Mr. MCKENZIE.—And the season is uniform also ?

Mr. FRASER.—No, not quite, there is one part that is not the same. The season is different, is it not, Mr. Cousens ?

The WITNESS.—Yes, that part from West Cape to Cape Tormentine.

Q. They have a different season ?—A. A different season.

Q. The size limit is about 8 inches ?—A. It should be, yes.

Q. I suppose you never caught any lobsters under 8 inches ?—A. I cannot say I caught them myself; I have seen them caught.

Q. You are aware that the size limit regulation is not observed ?—A. No, sir, it is not observed.

Q. Can it be observed and the canneries run in Prince Edward Island ?—A. Oh, it is possible it could be observed.

Q. If the regulation was enforced this year would you be canning lobster ?—A. Would I be canning lobsters ?

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Q. During the coming season would you keep your factory open?—A. I certainly would.

Q. What percentage of lobsters of 8 inches and over do you get, to your knowledge, in your district?—A. Well, the percentage would be very small if we had the season that I mentioned. The percentage of—oh, well of anything under 8 inches would be small.

Q. If you had the season you recommend?—A. Yes, that I recommend.

Q. You say the percentage under 8 inches in that case would be—?—A. It would be small. I could hardly say what percentage it would be.

Mr. McKENZIE.—Why would the percentage of small lobsters be reduced by the change of the season?

*By Mr. Fraser:*

Q. Taking the former season, not the new one, what percentage of the lobster catch was under 8 inches in your district, the lobsters that your own fishermen brought into your factory during the last two years?—A. Well, during the last two years the percentage would be very small.

Q. Of lobsters under 8 inches?—A. Yes, under 8 inches the percentage would be small. I could not exactly say what the percentage would be.

*By Mr. Daniel:*

Q. Would it be one-half?—A. No, sir.

Q. Would it be 25 per cent?—A. No, it would not be 25; it might perhaps be 20 per cent.

Mr. McKENZIE.—Twenty per cent would be very heavy, one in every four.

*By Mr. Fraser:*

Q. If the new regulation went into force you think there would be even less than 20 per cent under eight inches in size, do you?—A. Yes, I do.

Q. Why do you think that?—A. That is estimating it by the last two years.

Q. Why do you think that?—A. Why would the percentage be less if the season was shortened, that is your question, is it?

Q. Why would the percentage of small lobsters be less?—A. Because we get the greater number of small lobsters in the late part of the season.

Q. That would be in July, say?—A. Say July.

Q. That is a very good reason. Would you make any recommendation for a size limit?—A. No, sir, I could not make any recommendation.

Q. What size limit do you think would be observed if put in force in Prince Edward Island?—A. Well, would it be observed voluntarily?

Q. Yes, it would have to be voluntarily?—A. Well, I could not say.

Q. Will they observe any size limit?—A. No, I don't think it.

Q. You do not think they will observe any size limit?—A. I don't think it.

*By Mr. Daniel:*

Q. You say that the size limit is not observed?—A. No, sir.

Q. Are there any fishery overseers or inspectors down there?—A. Yes, sir.

Q. There are a great many of them, are there in your own district?—A. Well there is one in that large district there.

Q. There is one?—A. Yes, sir.

Q. Does he ever visit your establishment?—A. Yes, sir.

Q. Has he ever seen under-sized lobsters in your place?—A. Well, if the lobsters were there he would have seen them, but I could not say whether he ever—

Q. Did he ever report you for having under-sized lobsters?—A. No, sir.

Q. You never were fined for having them?—A. No, sir.

Q. In your experience is there any attempt whatever made to carry out the law with regard to the size limit of lobsters?—A. Not any.



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Q. None whatever?—A. None whatever.

Q. But as a matter of fact lobsters of any size that may happen to come into the fisherman's boat are bought by the canners and canned, is that your experience?—A. Yes, sir.

Q. That is absolutely so?—A. Yes, sir.

Q. No attempt is made to enforce the law? Have you formed any ideas with regard to the habits of the lobster, as far as its breeding is concerned, or the size limit which should be adopted in order to have the industry expand and the number of lobsters increased?—A. As to what size?

Q. As to really enforcing the law which would prevent the catching of lobsters under a certain size? We have had it stated here, for instance, that there is hardly any lobster under the size of 9 inches that carries eggs. Have your studies or experience led you to view the matters of that kind and to form any idea as to what size limit should be enforced in order to protect the industry?—A. Well, I cannot say. If it comes to the berried lobsters the larger the lobster the more berries there are on them.

Q. What is the smallest sized lobster that you have seen with berries on it?—A. I have seen them on very small lobsters.

Q. What size?—A. I would say 7 or 7½ inches.

Q. Seven or 7½ inches?—A. Yes, I have seen berries on lobsters that small.

Q. Have you seen that frequently?—A. No, sir, not frequently.

Q. Prof. Prince said that there was only one in about 100,000 lobsters of the size of 7½ inches, I think, that bore eggs.

Mr. CHISHOLM.—Was it not Mr. Baker who said that?

Mr. DANIEL.—Yes, Mr. Baker.

The CHAIRMAN.—And Prof. Prince corroborated his statement.

Mr. DANIEL.—Prof. Prince corroborated. In fact he went further I think and said there were very few lobsters under 9 inches that carried berries. Is that your experience?—A. The percentage is small, of course.

Q. You say there is no attempt made to carry out the law in regard to the size limit in Prince Edward Island. Is there any reason why the law should not be enforced, is there any difficulty in enforcing the law when the officers undertake to do it?—A. Oh, it is possible it could be done?

Q. How would you suggest that it should be done?

Mr. McKENZIE.—That is hardly a fair question.

Mr. DANIEL.—Mr. Baker answered the same question very fully.

Mr. McKENZIE.—It did not bother, Mr. Baker.

The WITNESS.—If you would put an inspector in each boat that would be one way of enforcing it.

*By Mr. Daniel:*

Q. What other way would you suggest?—A. Well, it is just about the only way that I can think of.

Q. What about putting an inspector in each cannery? How would that strike you?—A. I don't think that would give the department very good satisfaction.

Q. Satisfaction to whom?—A. To the officer in charge.

Q. Why?—A. Well those lobsters come in in large quantities, and it would be necessary for him to handle all those lobsters singly.

Q. Why would that be necessary?—A. To get those small ones.

Q. Cannot a man measure the size of a lobster very readily with his eyes?—A. Yes.

Q. An officer used to the work?—A. Yes.

Q. Then why should he have to handle every individual lobster?—A. Well they come in in crates, they are taken in crates from the boats.

Q. Supposing an officer went into your factory and saw under-sized lobsters there

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and reported you, and kept on reporting you every time he found those lobsters there, would you not in your own defence come to the conclusion that it would not pay you to have any undersized lobsters or to buy any?—A. I certainly would.

Q. And don't you think that would put a stop to the fishermen bringing them in if the canners refused to buy them?—A. Yes, it would put a stop to us all right. It would stop it all right, stop the canner.

Q. You said just now in answer to Mr. Fraser that your catch was at least 75 per cent of legal sized lobsters?—A. Yes, sir.

Q. Then would 20 per cent of that catch put you out of business?—A. Yes, 20 per cent of that catch would put me out of business. It would not put—I want to be understood about that. It would not put the cannery out of business but it would be impossible to get the fishermen to catch them. That is what I meant by that.

Q. It would be impossible to get the fishermen to catch them?—A. Yes, sir.

Q. Then your idea is that to enforce the size limit would prevent the fishermen from engaging in lobster fishing, do you really think that is so?—A. Yes, sir, I do, that is so.

Q. You think the fishermen would take no trouble to catch lobsters under those circumstances?—A. There would be—

Q. Although 75 or 80 per cent of them are of legal size?—A. Oh, there would be some engaged in it of course. There would be a small percentage of them engaged in it because they have nothing else to do.

Q. What do you think would be the effect on the industry if the size limit were to be enforced, would it improve the industry or not in your opinion?—A. Oh, if it was strictly enforced I think it would have that effect.

Q. You think it would have a good effect? Is it not a fact there is much more meat in the large lobsters than in the small ones? That is to say it takes so much fewer of them to fill a can and all that?—A. No, sir, such is not the case.

Q. In what way is it not the case?—A. Well, it takes less pounds of small lobsters to fill a case than large ones.

Q. It takes less pounds?—A. Less pounds, yes. They are all bought by the pounds, per hundred pounds.

Q. Do you put the shell in the can too?—A. No, sir, but we have to buy the shell.

Q. Then after all it is what you get into the can. It is not the shell that you have to buy that you put into the can it is the meat that fills the can. You have to fill your can haven't you?

Mr. MCKENZIE.—What the witness means is that out of a pound of small lobsters you will get more meat than you would out of a pound of large ones.

*By Mr. Daniel.*

Q. Would you approve of having these laws rigidly enforced for the sake of the industry?—A. Yes, for the sake of the industry I would.

Q. You think then that if there was a little lessening of it for a year or two the result in the end would be of great advantage to the industry?—A. Yes, sir.

*By the Chairman:*

Q. Mr. Cousens, what effect have the lobster hatcheries had upon the lobster supply in Prince Edward Island?—A. Well, I have had no chance to have any experience.

Q. There are no hatcheries on your side of the island?—A. Not on our side of the island.

*By Mr. Chisholm (Inverness).*

Q. Your operations are entirely on the north side of the island?—A. Yes, sir.

Q. What percentage of the lobsters you get there are berried lobsters?—A. What per cent?

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Q. Yes, roughly speaking?—A. To take the average of the season as we have it now I would say there would be perhaps from two and a half to three per cent. I would say there would be that amount.

Q. Am I to understand from that, that at particular parts of the season you get more berried lobsters?—A. Oh, certainly.

Q. In what part of the season are the berried lobsters most plentiful?—A. In the latter part of the season.

Q. Roughly speaking, what percentage of the catch are berried lobsters, say for the last 15 days of the season?—A. I would say perhaps 4 per cent the last 15 days.

Q. In your opinion what is being done with these berried lobsters by the fishermen there?—A. What is being done with them?

Q. Yes?—A. That is to say what the fishermen do with them?

Q. Yes.

Mr. DANIEL.—It is hardly necessary to say, the witness smiles enough.

A. Well, speaking from personal experience, I don't think I can answer the question. I know we don't get them in the cannery that is all.

*By Mr. Daniel:*

Q. There are no berries on the lobsters when you buy them?—A. Not when we buy them.

*By Mr. Chisholm (Inverness):*

Q. Do you think it would be possible to induce the fishermen to save the berried lobsters?—A. I think it would. I think it would be possible to get the fishermen to save them.

Q. What would you suggest should be done to induce the fishermen to save the berried lobsters, that is not to destroy them?—A. I would suggest that the department buy them, pay the fishermen for them, and make use of the spawn or berries.

Q. Do you suppose that if the department paid 50 per cent more for these berried lobsters than you would pay for the regular catch it would induce the fishermen to save them, I mean roughly speaking?—A. Yes, I think it would be satisfactory, I think it would.

Q. Following out that suggestion what would you say the department should do with these lobsters?—A. I would suggest they would have hatcheries along the coast and make use of them in that way.

Q. In your opinion then there would be no difficulty in getting the fishermen to save the berried lobsters if they get a market for them?—A. Yes, if they were remunerated in some way for them they would certainly do it.

Q. You have what are known as natural spawning grounds, particular bays, in your section of the country have you not?—A. Yes, we call them natural hatching grounds or spawning grounds.

Q. Have you got many of those bays?—A. Well, we have two.

Q. What do you call them?—A. One of them is Richmond Bay and the other is New London Bay.

Q. There are a great many factories there, are there not?—A. Yes, quite a number in Richmond Bay.

Q. Do you know how many?—A. I think, speaking offhand, there are sixteen large factories.

Q. Is it a large bay?—A. Yes, it is a very large bay.

Q. Is it the sea coast line?—A. It is a harbour bay you know.

Q. And there are 16 factories?—A. In that bay, yes.

Q. I may explain to the committee that I am asking these questions in behalf of Mr. Warburton who is not able to be present this morning. He asked me to put

these questions. In your opinion would it be wise to limit the number of factories in that bay?—A. I would not—

Q. You would not like to answer that question?—A. I would not limit the number at all, I would simply ask them to close down.

Q. For a period of time?—A. For an indefinite period.

Q. Would you consider that to be cruel?—A. Well, I would suggest that the Government pay for the outfits, pay for their plants, and close the places down, or the department—

Q. What kind of traps do you use?—A. What kind of traps?

Q. Yes?—A. Well, we call them common traps.

Q. I notice there are two kinds of traps?—A. Yes. Well, these are what we call common traps. There are some with two openings and some with three.

*By Mr. Daniel:*

Q. What are they made of?—A. The traps.

Q. Yes, are they made of wood?—A. Yes.

Q. Are they circular in form?—A. Yes, circular.

*By Mr. Chisholm (Inverness):*

Q. Have you the triangular trap with three openings?—A. No, sir, we have none of these triangular traps.

*By Mr. McKenzie:*

Q. But you have traps with two openings?—A. And a small percentage with three openings.

Q. It would be easy to make a trap with four openings would it not?—A. Oh, yes, it would be possible to do it.

*By Mr. Daniel:*

Q. Are these openings large enough to take in the largest lobsters?—A. Yes, sir.

Q. They take in all sizes?—A. All sizes.

Q. There is no chance of escape for the little one?—A. Oh, yes, they do escape.

Q. Out of the same hole as they enter?—A. Out of the same hole, yes.

Q. They never do that?—A. Oh, yes.

Q. They do?—A. Yes, they do.

Q. It is a box closed all around and there are no interstices that would allow a small lobster to get out in any part of it?—A. Well a small, a very small lobster can. The openings are about an inch and one-eighth I think.

Q. Apart?—A. Yes.

Q. It is a sort of wicker work or lattice work?—A. Yes.

*By Mr. McKenzie:*

Q. Made of laths?—A. Made of laths, yes.

*By Mr. Jameson:*

Q. You spoke of the supply of lobsters not having diminished very greatly during the last two years?—A. Yes, sir.

Q. Over what period have you had experience with regard to the catch of lobsters?—A. About 15 years.

Q. During that time have you been a fisherman and owner of a factory?—A. A fisherman.

Q. Then of what time are you speaking when you say there has been a very serious decline?—A. In what time?



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Q. Yes, over what period of time?—A. Well they gradually decreased from the time I started canning until 1906, there was a gradual decrease.

Q. And from 1906 to the present time how do you find the supply?—A. 1906 to the present?

Q. Yes, the last two years?—A. In 1907 and 1908 we had good catches.

Q. Supposing that the regulations was strictly enforced with respect to 8-inch lobsters, how long would it take in your opinion to restore the supply of lobsters of that size and over, I mean to say a sufficient supply for the purpose of carrying on the business?—A. I could not answer that question.

Q. You said that from 2½ to 3 per cent of the lobsters taken were berried lobsters?—A. Yes, sir.

Q. You mean to say that from 2½ to 3 per cent of the lobsters that are disposed of at the factories are berried lobsters?—A. Are disposed of at the factories?

Q. Yes?—A. Well, they are not berried when they get to the factories as a general thing.

Q. No, I understand that. Then what percentage of berried lobsters are put overboard by the fishermen, restored to the water after being taken?—A. Well, the fishermen claim there are anywhere from 2, 2½ to 3 per cent—all along there dependent upon the time of the season.

Q. Have you ever heard of berried lobsters being washed by drawing them through the water several times and the berries removed in that way?—A. Well, I could not say that I have in that way.

Q. Have you heard of the berries being removed in any other way?—A. Yes, I have.

Q. By what system?—A. Well by rubbing.

Q. Using a brush?—A. The fishermen usually use large rough mits, I think they use them.

Q. Does that remove all trace of the berries?—A. Well nearly all trace.

Q. In your experience as a packer have you encountered many lobsters from which the berries had been washed off?—A. No, I could not say I have.

*By Mr. Daniel:*

Q. Can you tell from the appearance of a lobster that the berries have been taken off it?—A. I think under close examination you can.

*By Mr. Jameson:*

Q. Well the examination ordinarily carried on in a cannery is not sufficiently close to detect whether that has been done or not in the sorting of the lobsters?—A. They are not counted.

Q. Well in the handling of them let us say?—A. The packer don't usually see them or the canner. They come in in crates from the boat. The fishermen put them in themselves when they catch them and they are hauled up and put into the retort or boiler and the steam turned on, and so the canner has not very much chance to detect any or to see them.

Q. Then as far as the canner or proprietor of a factory is concerned the violation of the law in respect to berried lobsters may be carried on constantly?—A. Yes, it certainly can.

Q. So far as he is concerned violation of the size limit may be carried on constantly?—A. Yes.

Q. And the only safeguard is the inspection made from time to time by the local officer?—A. From time to time would not be any safeguard, it would need to be all the time.

Q. I am speaking of the present condition?—A. Yes.

Q. How often has the local officer visited your factory during the past year?—A. Well it has been customary for them to come when you send for them.

*By Mr. Daniel:*

Q. When you send for them?—A. When you send for them.

*By Mr. Jameson:*

Q. And the officer always does come?—A. He always came.

Q. He is a faithful officer?—A. He sometimes comes several times because the stamp—it is necessary for the inspector to stamp all the cases when they are ready for shipment.

*By the Chairman:*

Q. It is for that purpose that you send for the officer?—A. Yes.

*By Mr. Chisholm (Inverness):*

Q. It was not to inspect the factory or the lobsters that you sent for him?—A. There has been no inspection for a great number of years of lobsters so far as I know.

*By Mr. Jameson.*

Q. Do you find the officers at the post of duty when you need them to stamp the cases?—A. Yes.

Q. From your experience as a practical man what measures do you suggest for the preservation of the berried lobster?—A. I would suggest that the fishermen be paid for them.

Q. At what rate of advance over the current price of the lobster?—A. Oh, an advanced rate—

Q. Yes?—A. At an advanced rate over the—

Q. What rate do you think would be proper to pay for the berried lobsters as compared with the rate for marketable lobsters?—A. Well I would say that from 30 to 50 per cent more would be a reasonable amount.

Q. Could the fishermen with their present facilities take care of the berried lobsters so that they would not injure the eggs?—A. With their present facilities?

Q. Yes, with their present facilities, the present system of handling lobsters, or would they need some special device that would cost them additional money, in their boats and at the shore?—A. They would at the shore, they would not in the boats. They would not need any special device in their boats.

Q. But they would at the shore?—A. They would at the shore when they landed them.

*By Mr. McKenzie:*

Q. Are the lobsters thrown down in the boat when taken up in the trap?—A. Yes, sir.

Q. I suppose that if they had a box or barrel with sea water in it they could throw these seed lobsters into it in a place by themselves?—A. Yes, sir.

*By Mr. Jameson:*

Q. What system would you suggest for the collection of these berried lobsters at the shore?—A. For the collection of them?

Q. Yes, would you return them back to the water again?—A. I don't know. I would not return them back to the water again.

Q. Perhaps I did not make myself perfectly clear. I was asking what idea you had with regard to the preservation of the industry by saving the berried lobsters as far as possible and getting the benefit of the eggs. Now along that line, it would be necessary, of course, to have a hatchery?—A. I would suggest there be a hatchery to make use of those lobsters, those berried lobsters.

Q. How would you have them collected along the coast to be conveyed to that hatchery?—A. By an official I suppose, an officer from the hatchery.

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Q. Have you had any experience in the live lobster trade?—A. No, not any.

Q. Is there any business in live lobsters carried on from your neighbourhood?  
--A. That has been tried, we have tried the experiment.

Q. Where were the lobsters shipped to?—A. To Boston and New York.

Q. Did it prove profitable?—A. No, sir.

Q. What was the objection or difficulty?—A. Well on account of transportation.

Q. The transportation facilities were inadequate?—A. Inadequate.

Q. And over-expensive I suppose?—A. Well the over-expenses I don't think are any injury to the business.

Q. Well, practically there is now no live lobster trade carried on from your district?—A. No, not any.

Q. Would there be better transportation facilities from the maritime provinces to Ontario and Quebec?—A. No, sir, not any better.

Q. The drawback is in the connection between Prince Edward Island and the mainland?—A. And the mainland, yes.

Q. You spoke of the government taking over the lobster canneries as one of the possible ways out of the difficulty with regard to taking short lobsters, did you not?  
—Oh, no.

Q. Well with regard to the doing away with canneries themselves?—A. Yes, doing away with the factories in—

*By Mr. Daniel:*

Q. That was on the breeding ground, was it not?—A. Yes, the natural breeding ground.

*By Mr. Jameson:*

Q. In what particular neighbourhood, what are the breeding grounds called?—A. They are two bays.

Q. Name them?—A. New London and Richmond.

Q. Have any of you who are interested in canneries consulted together with regard to that proposition?—A. It was spoken of a few years ago.

Q. Not recently?—A. No, not recently.

Q. What was the suggestion made then, that the government should take them over at the value of the plant, or did it include something for the business and good will?—A. No, sir, just for the plant, the amount of their plant.

Q. You think that as far as you are aware the owners would be willing to make an agreement of that sort?—A. They were at that time, yes.

Q. And what area along the island coast would these breeding grounds supply with lobsters in your judgment?—A. Oh, for a great many miles each way. I would suppose the number of miles, say 10 miles or 15 miles each way from those places. That is those two places I would say would benefit say 25 miles along that coast.

Q. And how many canneries would there be along there?—A. Along that coast?

Q. Along that 25 miles you spoke off?—A. I could not say, there would a great number in 10 miles where I live. Five miles each side of me there are 10 factories in 10 miles and nearly as great a number east and west of New London.

Q. They would average then about one to the mile?—A. Yes, they would average about one to the mile.

*By Mr. Daniel:*

Q. You spoke of reducing the number of these canneries on the breeding grounds. How many would be left supposing that idea was carried out?—A. How many factories?

Q. Yes?—A. It would not be any use to close any without they were all closed.

Q. That is what I was just going to arrive at.

Mr. CHISHOLM.—I think the witness suggested before that they be all closed.

The WITNESS.—Yes.

*By Mr. McKenzie:*

Q. Do you mean that a close season should be established on the whole of the north side of the island?—A. No, on these natural breeding grounds.

*By Mr. Daniel:*

Q. And not allow the canneries there at all?—A. No.

*By Mr. McKenzie:*

Q. That has a coast line, you say, of about 25 miles where these breeding grounds are?—A. No, it is in a bay. Inside, in from the sea, just about—

Q. How long would the line be following the shore?—A. All around that bay?

Q. Yes. How much of the coast line does the breeding ground cover?—A. Well it don't cover any of the coast line, that is the outside coast line, it is in the bay.

Q. But taking the bay as a coast line would it be about 25 miles around the bay?—A. Oh, no, I did not say in the bay. It is outside on the coast I was speaking about at first. This is in the bay.

Q. The breeding ground is in the bay?—A. Yes, the breeding ground is in the bay.

Q. What I mean is that taking one point to the other and following around the shore, what area does the breeding ground cover?—A. Well, perhaps 40 or 50 miles.

Q. It is that long is it?—A. Yes, or more to follow the bay around.

Q. And it is all breeding ground?—A. Well I could not say it was all breeding ground, but the greater part of it is.

Q. It is regarded as a breeding ground?—A. It is regarded as a breeding ground, yes.

Q. You spoke about the catch decreasing greatly from the time you went into the business down to two years ago? Has the number of fishermen increased since you went into the business in the particular locality where you are engaged?—A. Has the number increased?

Q. Yes?—A. Yes, sir, it has.

Q. You would have about 12 men supplying lobsters to your factory?—A. Yes, sir, 12 men.

Q. And six boats?—A. Six boats.

Q. Did you have the same number when you commenced 15 years ago?—A. No, sir.

Q. More or less?—A. More.

Q. When you spoke about the catch decreasing did you have reference to your own catch or the general catch in the locality?—A. The general catch.

Q. And it also applies to your own catch does it?—A. Yes, sir.

Q. Now keeping in mind the catch and the number of men you employed the first year you started what would you say was the percentage of decrease from the first year or two up to two years ago?—A. Well it would require some time to figure that up.

Q. Was it a uniform declension or was it sometimes better and sometimes worse?—A. It was a natural decline each and every year.

Q. The succeeding years smaller than the preceding all along?—A. Yes, sir.

Q. And that has reference to the general catch not the same quantity divided between more men?—A. Yes, sir.

Q. Do you ascribe that to excessive fishing?—A. Yes, to excessive fishing I think.

Q. Would you say that the taking of berried lobsters would have something to do with it?—A. Oh, yes, that has very much to do with it.

Q. Have you had any experience in propagating lobsters by the use of the pound, have you got any lobster pounds on the island?—A. No, sir.

Q. It is a sort of substitute or equivalent for the hatchery. You have not got any?—A. Not that I am aware of.



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Q. The only thing that I heard you suggest by way of improvement was a shortening of the season. You would commence the 1st of May you say and end the last of June? You think that would be a more suitable season for your part of the island?—A. Yes, sir.

Q. Is there anything else that you would suggest to the committee that you think would be an improvement either for the fisherman or the canner in that part of the island, anything that would better the conditions of either the canner or the fishermen that could be accomplished by way of regulations?—A. I would suggest that hatcheries be established along the north side.

Q. That hatcheries be established?—A. That hatcheries be established on the north side of the island and those berried lobsters all used, you see, in these hatcheries.

Q. And I suppose an effort put forth to save the berried lobster from being sold and in that way deprived of its berries, you have already suggested that?—A. Yes, sir.

*By Mr. Daniel:*

Q. A suggestion was made here by some one that it might be a good plan, in order to educate the fisherman, to lower the size limit to 7 inches at the present time and then to gradually raise it. Do you think there would be any benefit in that at all?—A. I think there would if the law could be enforced.

Q. Why do you think a 7-inch size limit would be better kept?—A. Well, it would than an 8-inch?—A. That is why would the fishermen—

Q. Why do you think a 7-inch size limit would be better kept?—A. Well, it would be a little more advantage to them, an inch on the lobsters is considerable.

Q. Knowing the industry as you do would you advise that as a course of action? A. I would advise it if it could be properly enforced.

Q. You would advise it in preference to enforcing the 8-inch limit would you?—A. I certainly would.

Q. Are you speaking as a canner or as a friend of the industry generally?—A. Yes, I think I would, I think I would favour a 7-inch size.

Q. You would favour the reduction of the size limit?—A. The reduction of the size to 7 inches.

Q. And you think that would be an advantage to the industry?—A. Well I could not say it would be an advantage to the industry.

Q. Then why would you recommend it?—A. I would recommend it because it could be thoroughly enforced.

Q. You are speaking of the enforcement of the law?—A. Yes.

Q. I am speaking of the effect on the industry?—A. If it was for effect on the industry, that is to bring it up to its former status?

Q. Yes?—A. I would certainly make the size limit larger.

Q. Exactly. You would not lower it?—A. Oh, not at all, no, sir

Q. Supposing you were asked by the department to give any suggestions for the improvement of the lobster industry, what would you reply? Would you have any suggestions, and if so, what would they be? You have spoken already about the hatcheries and buying the berried lobsters, have you any other suggestion?—A. I would suggest that the season be shortened to two months, that is from the first day of May to the last day of June, and that these berried lobsters be preserved and hatcheries established along the coast. That would be my suggestion.

Q. Have you any other suggestion?—A. I have no other suggestion.

Q. What about the enforcement of the law?—A. The law would be all right if it could be enforced.

Q. Either the law should be enforced or it should not. Which would you suggest, that the law should be enforced?—A. Yes, I would say that it should be enforced.

Q. That is that the 8-inch limit should be enforced?—A. Yes.

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Mr. McKENZIE.—Did the witness not say a 7-inch limit?—A. That is for the benefit of the industry in general?

*By Mr. Daniel:*

Q. I am speaking now of the industry?—A. Yes, sir.

Q. And supposing that we did not enforce the 8-inch size limit, what effect would it have upon the lobster factories?—A. What effect it would have upon them?

Q. Yes, at first?—A. It would have a serious effect at first.

Q. How serious?—A. Well it would be so serious that it would perhaps put some factories out of business.

Q. Would that be an unmixed evil supposing you put a few factories out of existence? It would not lessen the number of fishermen would it?—A. Oh, yes, it would lessen the number of fishermen.

Q. To what extent, have you any idea?—A. I have no idea.

Q. It would make a difference in your pack of 20 per cent, I think you said that?—A. Yes, it would.

Q. You packed you said last year 400 cases?—A. Yes, sir.

Q. And the year before also, or some two or three years before that you only packed two or three hundred cases. Did you not say that?—A. 200 and on, yes.

Q. Twenty per cent of 400 cases would be 80. Take 80 per cent off and you will still be packing 320 cases, more than you had been packing in other years when there was no law enforced at all. Supposing that quantity kept up how would it put any of you out of business at that rate?—A. Because we have to pay very much more for them. Everything has advanced in price.

Q. Well you might explain that, how would you have to pay more for them, in what way? You are paying, I suppose by weight, what would cause the increase in price?—A. What causes the increase in price?

Q. Yes, what would cause it?—A. Well it was on account of the small catches, the small catches of lobsters.

Q. You get that much less weight, I don't see how it is going to affect your price?—A. Well you would have to pay the fishermen good pay in order to keep them. He would simply give up the business if he did not get enough money out of it.

*By Mr. Fraser:*

Q. What Dr. Daniel wanted to find out, I think, is the expense of catching lobsters. Is it not a fact, Mr. Cousens, that it is nearly as expensive to pack 200 cases of lobsters as it is to pack 400 except for the price of the raw material?—A. It certainly is.

Q. It is nearly as expensive to pack 200 cases as it is 400?—A. Yes, it is quite as expensive, clear of the cases.

*By Mr. Daniel:*

Q. But you were satisfied with your pack of two or three hundred cases, you did not think of dropping out of business because you were only packing that number?—A. Well the fisherman or lobster packer always does—

Q. Did the fishermen charge you any more when you only bought enough to pack 200 cases than they charged you when you had 400 cases to pack?—A. Yes, they charged very much more.

Q. They charged more?—A. Very much more.

Q. What would be the difference in the rate, you buy them by the hundred-weight?—A. Buy them by the hundredweight.

Q. Would you say what your average price was? If you have any objection to giving the information, of course, we don't want to know?—A. Well I would say that the price has increased 50 per cent, the price we have to pay the fishermen has in the last 15 years increased—yes, all of 50 per cent.

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Q. Has it increased materially in the last three years?—A. Has it increased in the last three years?

Q. Yes, did you pay any more last year than you did in 1905 or 1906?—A. No, sir.

Q. Well then the size of the catch does not make any difference in the price of the lobster?—A. It does to the fishermen.

Q. It does to the fishermen?—A. Yes.

Q. But you say you paid the same price?—A. Paid the same price?

Q. Yes, you have just told me that you paid the same price last year that you did in 1905?—A. No, not in 1905, in 1906. We paid the same price for three years, 1906, 1907, 1908.

Q. In 1907 and 1908 you had much larger catches than in 1906?—A. Yes.

Q. And you did not pay any more?—A. For these lobsters?

Q. Yes?—A. No.

Q. So that I don't see how your evidence tends to give us the idea that you would have to pay more for the lesser catch than for the larger?—A. Well the price is—what I meant to say was when we started canning 15 years ago we paid a certain price per hundred pounds. Lobsters were then pretty plentiful and as the catch went down we naturally had to increase the price to the fishermen. We had to give the fishermen just about the same amount for smaller catches of lobsters.

Q. As a matter of fact what are your prices regulated by, are they regulated by the fishermen or by the markets to which you send your goods?—A. They are regulated a little by each of those.

Q. Which principally?—A. Principally by the fishermen.

Q. What do you say?—A. Principally I guess by the fisherman.

Q. Could you pay the fishermen more for lobsters than it would be profitable to pack and sell them for. Your price to the fisherman must surely be regulated by what you are going to get when you sell or you could not remain in business?—A. We don't always know what we are going to get.

Q. Is there much variation in the price of canned lobsters?—A. Considerable.

Q. Where do you sell your pack mostly?—A. On the island.

Q. And I suppose they are not consumed on the island, there are more lobsters canned on the island than the inhabitants consume themselves, so a great deal of the pack is shipped away?—A. Oh yes, sir, they are shipped away.

Q. Are they sold in Canada mostly or in the United States?—A. Well I could not say. In Great Britain I believe the greatest amount of them are sold.

Q. They are shipped from the island to Great Britain?—A. I think so.

Q. Or to France?—A. It is just possible they are shipped to both places.

Q. Then the price is largely made in the market to which they finally go?—A. Yes, sir.

Q. So that the fishermen cannot get anything he asks for his lobsters can he, that is what I want to get at? He can only get what the canner can afford to pay him, is that not so?—A. Well we have paid them more than we could afford to pay them.

Q. What did you put that down to, profit and loss account, or make it up the next year?—A. I would expect to make it up the next year.

*By the Chairman:*

Q. How many lobster traps would be employed by your six boats?—A. Well I think about 1,800 traps.

Q. Three hundred traps to a boat? How did these men earn last season?—A. Oh I could not say that.

Q. Did you supply the boats yourself?—A. Yes, sir.

Q. You supply the boats and the gear?—A. Yes, sir.



Q. And you pay them a certain reduced price for the lobsters on account of that?  
—A. Yes, sir.

MR. TURGEON.—Mr. Loggie who is not a member of this committee would like to ask a question or two.

The CHAIRMAN.—Very well.

*By Mr. Loggie:*

Q. Have you ever seen a boat load of these lobsters you spoke of caught in Richmond Bay?—A. A boat load of them?

Q. Yes?—A. Yes, sir, I have.

Q. Can you tell the committee how much they would weigh in all probability, as near as you can what would be the weight of 100 green lobsters?—A. Well I have seen them very small. Those perhaps weigh 25 lbs. to the hundred, perhaps less.

Q. A hundred lobsters? You have seen them larger than that I fancy?—A. Yes, I have seen them larger.

Q. Give us a fair average of what you think a hundred green lobsters taken in the bay weigh?—A. I would say that 50 lbs. would be perhaps an average.

Q. I don't think you are very far astray, if it is some of the bays where I know small lobsters frequent. In view of your statement about the 50 lbs. of lobsters and in view of your statement that there was a very small percentage of lobsters with no berries on them, how do you account for your statement that this bay is a breeding place? You have told us that the berries are only on large lobsters and yet you say a hundred green lobsters will only weigh 50 lbs. How do you account for it?—A. Because it was a breeding ground, but it is not now.

Q. It is not now you say. It would be a breeding ground if you found berried lobsters there of large size. Don't you think there can be another reason for the small lobsters being there, that the bay is sheltered rather than that it is a breeding ground, that small lobsters will make for shelter where there not liable to be washed ashore by the storms and that kind of thing, is not that a possibility?—A. I don't think they would keep in shallow water if that was the case would they?

Q. That is what they would do. Don't you think the small lobsters make for the shore during the month of July when the water is warmer and it is not natural for them to make for shelter? I think your evidence is quite correct because small lobsters frequent those waters; and yet I was not able to harmonize the statement with the fact you said it was a breeding ground. I quite agree with you that we commonly talk of those sheltered places which lobsters frequent late in the season as breeding grounds. That is all I want to ask you about that. Could you tell me about how much a hundred of the green lobsters that you catch could weigh?—A. I could not form any idea, we have never counted them.

Q. You have never counted a hundred lobsters and weighed them? Yes, we have. Thirteen years ago we did. We took them at that time by count.

Q. You counted them but did you weigh them to see how many pounds there were?—A. No, I don't think we did.

Q. You never did?—A. No.

Q. How many pounds do you think there would be? You have given me some idea as to the other questions I asked you that there would be 50 lbs. on the average to a hundred of lobsters from Richmond Bay in your experience. Now how many do you think there would be on the average?—A. I would say that perhaps 80 of them will make a hundred pounds, I think on the average.

Q. Eighty?—A. Eighty green lobsters.

Q. I think you are wrong in that?—A. What I mean is a hundred green lobsters would weigh 80 lbs.

Q. I think that is a better answer?—A. Yes.

Q. I don't think you would be perhaps very far out. Now speaking of your own



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packing, can you tell me how many lobsters it takes to make a pound can?—A. I can on the average.

Q. The average is all I want?—A.  $2\frac{1}{2}$  lbs.

Q. I am asking how many lobsters it takes to make a pound can of meat?—A. I could not say, we have never counted them.

Q. I think you are mistaken about the other answer too?—A. What is that?

Q. You mean that  $2\frac{1}{2}$  lbs. of green lobsters would make a pound can, is not that what you mean?—A. I hardly know.

Mr. DANIEL.—Put it this way: Ask him how many 8-inch lobsters—

Mr. LOGGIE.—I don't want to know about 8-inch lobsters, I want to get the average. I want some evidence as to the size of lobsters that are being caught to-day. That is really what you want to find out and then you will have something intelligible before you.

Q. You have told me already that a hundred lobsters in your locality, of the size as far as you know, would make about 75 lbs.?—A. Seventy-five or 80 lbs.

Q. I don't think you are very far astray there, I think that is the average on the outside coast. Now how many of these lobsters would it take to make a one pound can tall? You as a packer would have a good idea in your head, how many lbs. of green lobsters would it take to make a pound can tall?—A. It takes 250 lbs. to one case.

Q. You evidently misunderstood the question before. That is 250 lbs. for 48 tins. That would be a little over 5 lbs. of green lobsters to the can in a case of 48 lbs. On the basis of 80 lbs. to the hundred lobsters it will take a little over six lobsters to the pound can tall. All I wanted to do was to get your opinion as to what size of lobsters you were catching. I think I can tell you: it would take a little over five lobsters to make a pound can tall and a little over six lobsters, or something like that as a very good lobster average. You certainly have pretty good lobsters where you are fishing.

Mr. DANIEL.—What would be the size of his lobsters?

Mr. LOGGIE.—In the first place you see, a hundred lobsters weigh 8 lbs. and six of these lobsters would make a pound can tall. I think a gentleman who gave evidence here the other day said that it took nine 8-inch lobsters—

Mr. CUNNINGHAM.—Nine 7-inch lobsters.

Mr. DANIEL.—And how many 8-inch lobsters?

Mr. CUNNINGHAM.—He did not go into that.

Mr. LOGGIE.—If it takes nine 7-inch lobsters to fill a can I don't think we can calculate that out, I don't think it would be really satisfactory evidence.

Mr. VENNING.—There would be no reason for closing down factories if you could go on canning 8-inch lobsters.

Mr. LOGGIE.—What I meant to say that the lobsters caught in the district where the witness is canning are pretty good sized lobsters when a hundred of them will weigh 80 lbs. and 250 lbs. of green lobsters will make a case which is a little over 5 lbs. of green lobsters to the can. Adding a fifth you get a little over six lobsters to the can. I know that on the coast there are a great many instances to which his evidence regarding bays is applicable and there it takes seven 8-inch lobsters to make a pound can.

Mr. DANIEL.—How many pounds are there in a case.

Mr. LOGGIE.—Forty-eight one pound cans. Of course, they don't put in quite the full 16 ounces, there would be a little over 15 ounces, at least. I only want to find out the facts in the case. I think I heard the witness say that if an 8-inch size limit was insisted upon it would put a good many factories out of business. It certainly would in some of these bays.

Q. Speaking of 50 lbs. of lobsters to the hundred, do you think you could operate at a profit and paying expenses, if your fishermen put away 20 per cent of the lobsters caught because they would have to receive a better price for the balance of the

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catch in order to make their wages out of it? These gentlemen do not seem to understand you when you say that you would have to pay your men more. That is the reason, is it not, that they have got to get so much more wages, if 20 per cent cannot be brought ashore; they would have to be paid a better price for the others or they could not stay in the business?—A. Yes.

Q. And that would make it cost you that much more and the markets might not be good and you would have to close?—A. That is the case.

Q. As far as prices are concerned you had to pay extra prices last year because everything was booming in the lobster business whereas this year it is the very opposite, is it not?—A. The very opposite.

*By Mr. Fraser:*

Q. Speaking of this bay you think it is a natural breeding ground?—A. Yes, I think it is. If the traps were taken out of it it would be.

Q. Do you know anything about lobster pounds in connection with the breeding of lobsters?—A. No, sir, I don't know anything about them.

Q. Well, a pound, I understand, is a kind of natural inclosure in which lobsters are kept. I don't know very much about it, I never saw one.

Q. Would the breeding ground you speak of not make a good natural inclosure?—A. You could not inclose it.

Q. You have an idea of what a pound is, could you not inclose any part of this breeding ground for that purpose?—A. I don't think it would be possible.

Q. You don't think it would be possible?—A. There is nothing impossible. I mean to say it would require a large outlay to make use of any part of it.

Q. Then it would be too expensive—A. Too expensive, yes.

*By Mr. Fraser:*

Q. You think it would be better to have a hatchery?—A. Well, yes, I think it would be better to have a hatchery.

*By Mr. Loggie:*

Q. I should have asked you I suppose when you said that the small lobsters in Richmond Bay were 50 lbs. to the hundred, did you see any with berries on them, small lobsters?—A. I cannot say that I did.

Q. What lobsters did you see there with berries on them, so far as you can recall?—A. So far as I can remember, without berries?

*By Mr. Fraser:*

Q. Did you ever try the shipping of live lobsters, did you ever have any experience in that?—A. No, sir, I sold some to the gentlemen who did ship them alive.

Q. How long ago is that?—A. I think it was in 1906, if I remember aright.

Q. How did you sell them?—A. Well, now, I just forget how I sold them.

Q. You forget the price?—A. Forget the price, yes.

Q. The man lost on the transaction I understand?—A. He lost all of it.

Q. Was it on account of poor transportation facilities?—A. Yes, sir, too long in the market.

Q. Too long on the way to the market?—A. On the way to the market.

Q. Was it due to the market being flooded do you think?—A. No, sir, I think not.

Q. It was on account of the time it took to reach the market?—A. In fact I am sure it was not, it was on account of the transportation.

Q. Was it in winter or summer?—A. It was the spring.

Q. Do you think Mr. Cousens, that a live lobster trade could be worked up between Ottawa and New York, for example, if proper transportation facilities were provided?—A. Yes, sir, I think it could.

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Q. What is a can worth, that is a 1 lb. tall?—A. On the island?

Q. That is where they are packed?—A. At the present time?

Q. Yes?—A. I suppose perhaps 25 cents.

*By Mr. Chisholm (Inverness):*

Q. By the case or by the single can?—A. By the case.

Q. It takes from six to eight lobsters you say to fill a can?—A. From six to eight?

Q. Is that what I understand you to say?—A. I did not say that.

Mr. CHISHOLM (Inverness).—Mr. Loggie made that deduction from certain facts.

Mr. LOGGIE.—Yes, I made that deduction.

*By Mr. Fraser:*

Q. You have a rough idea of how many 6 or 8-inch lobsters it would take to fill a can?—A. Well I would say—I don't think it would take more than six lobsters, I can't imagine it would take more than six lobsters.

*By Mr. Loggie:*

Q. What size on the average?—A. On the average?

*By Mr. Daniel:*

Q. Does the fishery officer give any certificate as to the cooked meat, or is there any inspection of it, before it is canned? Is there any inspection of that meat as to quality?—A. No, sir, I think not.

Q. Or any inspection as to weight?—A. Weight in the can is it?

Q. Yes?—A. No, sir, the inspector—

Q. Is there any law regulating the size of the can?—A. Well I suppose there is a law but it does not come under the fishery inspection.

*By Mr. Chisholm (Inverness):*

Q. What is the size of the largest lobster you get there?—A. What is the largest lobster?

Q. Yes, I don't mean to say individual lobsters, but generally speaking?—A. You mean the very largest one we get is it?

Q. Yes, the largest lobsters, the length?—A. Well I could not tell you the length, doctor. I remember weighing one once and it weighed  $7\frac{1}{2}$  lbs. That was last summer, but that was the largest lobster I think I ever saw.

Q. But I mean looking at the catch in general what is the largest size?—A. Oh well, we get quite a number. I would say perhaps there would be 5 per cent that would be—that would weigh 2 lbs.

Q. Yes, but is the length?—A. I could not say the length.

Q. Nine and a half or 10 inches?—A. Oh, yes, a little longer than that.

Q. Would it be 3 to 5 per cent?—A. I would say from 3 to 5 per cent.

Q. Did you ever see lobsters in Northumberland Straits, that is a quantity, a boat load?—A. I could not say I have seen them in the straits, I have seen them in the harbour. Those I suppose were caught in the straits.

Q. Have you any idea of the size?—A. Of those lobsters? Well they were considerably smaller than ours.

Q. Noticeably so?—A. Noticeably so.

Q. Would you have any idea how many lobsters caught in Northumberland Straits it would take to fill a can?—A. It would probably take seven or eight of them. I would say it would take seven of them anyway; that much difference.

Q. You have no idea of the size of them as compared with the size of the lobsters caught in your own locality?—A. Of course, the difference in the season makes a great deal of difference.

*By Mr. Fraser:*

Q. Does the Portland Packing Company pack lobsters in your bay?—A. No, sir.

Q. Are there any other parties desiring to get a license around your bay?—A. I don't think it, speaking from my own knowledge.

Q. You think not?—A. No.

Mr. DANIEL.—I think we have pretty well exhausted the witness and I move, therefore, that he be discharged

Witness discharged.

Committee adjourned.



## COMMITTEE ROOM No. 32.

## HOUSE OF COMMONS.

TUESDAY, April 6, 1909.

The Select Standing Committee on Marine and Fisheries met to-day at 11 o'clock a.m., Mr. Warburton presiding in the absence of the chairman.

Mr. W. F. TIDMARSH, Charlottetown, called, sworn and examined.

*By the Chairman:*

Q. I believe you have been connected with the lobster fishery for a long time?—

A. Yes, practically all my life, it has been a life work.

Q. Whereabouts have you generally carried on business?—A. In Nova Scotia, the Magdalen Islands and Prince Edward Island.

Q. You run a large number of factories?—A. We do in Prince Edward Island and the Magdalen Islands. Those factories are under my control.

Q. How many are there?—A. Eleven, nine in Prince Edward Island and two in the Magdalen Islands.

Q. We will take Prince Edward Island first and the Magdalen Islands afterwards, are the lobsters increasing or decreasing in number?—A. They are neither decreasing nor increasing. For the last eight or nine years or, to be more exact, I would say that for the last six or seven years at least, they have remained about stationary.

Q. That is in Prince Edward Island?—A. In Prince Edward Island, we are now referring to that province.

Q. What have you to say as to the increase or decrease in size of the lobsters in Prince Edward Island?—A. The decrease in size has not been very much during the last five or six years.

Q. Has there been any increase in the last few years?—A. I think not.

Q. Do you draw any distinction between the north and the south shore of Prince Edward Island in these two respects, that is the increase or decrease in number or the increase or decrease in size?—A. Lobsters on the south shore of Prince Edward Island, that is between Cape Traverse and Cape Bear, were always larger than on the north shore. They are larger to-day but not so large as they were 20 years ago. On the north shore of the Island, and around the east and west ends, the lobsters were always small in size, comparatively small in size.

Q. Now, Mr. Tidmarsh, you might give us some information with regard to the Magdalen Islands, that is as to the increase or decrease in the quantity of lobsters caught there?—A. Lobsters are decreasing in the Magdalen Islands both as to quantity and size.

Q. Are they decreasing rapidly?—A. They have decreased rapidly during the last three or four years. Until that time there was no appreciable decrease.

Q. Can you account for that decrease in any way?—A. I think it is the over-fishing, the fishing both in the spring and in the fall. They have two seasons in the Magdalen Islands. I might give you some statistics in regard to those Islands to show you the rapid decline in the fishery there during the last few years. The statistics I have here were taken from the cannery that I control.

Q. From your own cannery?—A. From the cannery I control at Grand Entry,

Magdalen Islands. Now in 1903 there were received at that cannery during the season 205,322 lobsters—not pounds of lobsters but lobsters themselves. That year we closed our factories I think on the 10th July. That was the legal season then from the 1st May until the 10th July and had an extension of a month, that was the month of September. That year we landed at the Grand Entry cannery 215,358 lobsters. That was more than for the previous year and that was the first year of the late season. In 1905 which was the second year in which the two seasons were in operation we received 142,220 lobsters. You will see a very material decline there. In 1906 there were 84,796 lobsters received.

Q. That was about one-third of the number received three years before?—A. Yes. I have not exactly the same figures for 1907 or 1908 but I can give you the number of cases of lobsters we packed when canning. In 1907 we packed 222 cases. In 1905 we packed 75 cases and this year we have closed the factory and are not going to operate.

Q. It ceased to pay?—A. Ceased to pay. There are not enough lobsters there to warrant continuing the business. I attribute that to fall fishing, fishing for a month in the fall; it is more than the fishery could stand. You are taking lobsters at the only two seasons in the year when it is possible to take them in large quantities, that is during the spring and fall.

Q. In your opinion then for the preservation of the lobster fisheries of the Magdalen Islands it is necessary to stop the fishing for the second season in the year?—A. I think it is very necessary that that second season should be stopped, also that fishing should be stopped in the lagoons. The lagoons in the Magdalen Islands are no doubt the breeding place of the lobster. It is not legal to fish in the lagoons now but the law in that regard has not been respected for some years past.

Q. There are a number of lagoons there are there not?—A. No. There are only two large lagoons. Those are very large. They run practically the whole length of the group of Islands.

Q. The lagoons are really breeding grounds?—A. I consider the lagoons on the Magdalen Islands are breeding grounds.

Q. Have the factories of any other packers in the Magdalen Islands been closed?—A. Not that I am aware of, although I think I did hear that William Leslie & Co. intended closing up some of their factories. I cannot state that as a certainty.

Q. What is the present state of the lobster industry in Prince Edward Island so far as you know?—A. In Prince Edward Island the lobster industry is in a very good condition; we have no reason to be alarmed at all about it. The fishery there is in excellent condition. The lobsters decreased, both in size and quantity, very rapidly between the years 1885 and 1905. During those twenty years they decreased very rapidly both in quantity and in size but since then that decrease has been arrested and they have at least remained stationary.

Q. And the quantity has not fallen off?—A. The quantity has not fallen off since then.

Q. You said that you had had some experience in Nova Scotia also. Do you carry on business there now?—A. Well the Portland Packing Company, the concern that I represent, carry on business in Nova Scotia but I don't know very much about their business there.

Q. What have you to say as to the size limit of lobsters?—A. Well before proceeding with that if you would permit me I would like to give statistics as to the industry in Prince Edward Island.

Q. Very well, give those statistics?—A. I think it is the most effective way in which I can express myself. I have compiled statistics from the Fishery Reports covering the period from 1893 to 1907. I will give you the number of canneries, the number of traps used, the number of pounds of lobster meat canned, the average pounds of lobster meat per trap—that is the average number of one-pound cans—and

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the value. I think the average per trap is a very good index as to the condition of the business.

*By Mr. Fraser:*

Q. Are these statistics for the whole Island?—A. I am going to give you statistics for the whole Island, Mr. Fraser.

Q. For last year are they?—A. I am going to give you statistics from 1898 down to 1907.

*By the Chairman:*

Q. A period of 10 years?—A. Yes, 10 years. My contention is that the lobster fishery has not declined during the 10 years and I am going to give you these statistics in proof of that

Q. Go on then, Mr. Tidmarsh?—A. The statistics are as follows:—

LOBSTER Fishery Prince Edward Island—Canneries, Traps, Cans preserved, Average per Trap and Value.

Date.	Canneries.	Traps.	Lbs. Lobster Meat Canned.	Average Lbs Lobster Meat per Trap.	Value.
1898 ....	230	284,235	2,342,020	8·24	\$468,004
1899 .....	240	283,114	2,421,144	8·55	484,228
1900 .....	246	302,117	2,223,712	7·36	444,742
1901 .....	225	280,880	2,386,070	8·49	477,214
1902 .....	192	241,869	2,039,603	8·43	407,920
1903 .....	190	253,195	2,335,400	9·22	583,850
1904 .....	199	295,976	2,501,100	8·45	625,275
1905 .....	196	283,960	2,182,614	7·69	545,656
1906 .....	188	312,945	2,298,288	7·35	572,322
1907 .....	184	305,990	2,839,496	9·27	751,846

(Signed.) W. F. TIDMARSH.

Q. Last year the average per trip was considerably higher?—A. Yes, considerably higher. You will observe that the average per trip lessens with the number of traps fished.

Q. I notice there has been a considerable falling off in the number of canneries, from 246 in 1900 to 184 last year?—A. Yes. .

Q. There has not been very much falling off in the number of traps?—A. No, there has not been very much falling off. I wish to draw your attention to the fact that in 1900 there were 302,117 lobster traps fished and the average per trap was 7·36. In 1906 there were 312,945 traps fished and the average per trap was 7·35 or practically the same average pounds of lobster meat per trap.

Q. The point I want to make is that the reduction in the number of factories does not mean a reduction in the number of traps?—A. It certainly has not meant that. Now these statistics are taken from the blue-books of the Marine and Fisheries Department and I think they are correct because they have very good methods of getting their statistics from the lobster canneries. I can also submit other statistics taken from our own factories if that would be desirable.

Q. I think that is something the department have not got and cannot very well make up for themselves?—A. They are statistics from our own factories.

*By Hon. Mr. Brodeur:*

Q. It would be a good thing to have those?—A. You would like to have them? Very well.

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The CHAIRMAN.—Perhaps it would save time to hand those statistics in and let them be printed.

Mr. DANIEL.—Where were those statistics obtained?

The CHAIRMAN.—From his own canneries.

The WITNESS.—The statistics I have just given were obtained from the blue-books of the Marine and Fisheries Department. Those which I am proposing to give were taken from the records from our own canneries.

The CHAIRMAN.—They are really more valuable to us just now.

*By Hon. Mr. Brodeur:*

Q. Can your own statistics be compared with those of the department?—A. Yes, we could compare them in a measure.

Q. How do they agree?—A. I think they agree fairly well. Of course, in the departmental reports it is the number of pounds of lobster meat per trap that is given in one-pound cans. In the statistics I am about to give the figures would show the raw material, the number of pounds of live lobsters. I can put those latter figures in as read or I can read them.

Q. Very well, you had better read them?—A. Just as you wish. I will first give the figures for factory No. 1 at Rustico, P.E.I. These statistics cover the period from 1900 to 1908 and are as follows:—

STATEMENT Lobsters Delivered at No. 1 Rustico Cannery.

Date.	No. Boats.	No. Traps.	No. lbs. Live Lobsters Delivered.	Average lbs. Live Lobsters per Trap.	Average lbs. Live Lobsters per Boat.
1900....	19	5,225	133,319	25.51	7,017
1901....	25	6,875	172,924	25.15	6,917
1902....	13	3,575	78,471	21.95	6,036
1903....	9	2,475	75,823	30.63	8,424
1904....	14	3,850	147,226	38.24	10,516
1905....	15	4,125	124,982	30.29	8,332
1906....	16	4,400	130,014	29.55	8,125
1907....	16	4,400	218,787	49.72	13,674
1908....	19	5,225	226,745	43.39	11,934

The foregoing are complete statistics for that cannery. The remaining statements give the number of lobsters delivered at No. 2 Factory, Sea Cow Pond and at No. 3 Cannery, Waterford, respectively:—

STATEMENT Lobsters Delivered at No. 2 Cannery, Sea Cow Pond.

Year.	Number of Boats.	Number of Traps.	Pounds Lobsters Delivered.	Average per Trap.
1902.....	7	2,000	61,008	30.50
1903.....	10	2,900	115,572	39.85
1904.....	16	4,600	156,826	34.09
1905.....	14	4,100	145,457	35.47
1906.....	14	4,300	186,896	43.47
1907.....	14	4,500	223,535	49.67

(Signed.) W. F. TIDMARSH.



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## STATEMENT Lobsters Delivered at No. 3 Cannery, Waterford.

Year.	Number of Boats.	Number of Traps.	Number of Lobsters delivered.	Average per Trap.	Average per Boat.
1900.....	20	4,000	249,654	62·4	12,442
1901.....	26	5,000	303,383	60·6	11,746
1902.....	23	4,500	323,547	74·1	11,556
1903.....	28	5,500	424,630	77·2	15,167
1904.....	24	4,800	307,162	64	12,799
1905.....	21	4,200	272,987	64·9	12,998
1906.....	24	4,500	241,928	53·8	10,080
1907.....	24	4,500	292,515	65	12,188

W. F. TIDMARSH.

*By the Chairman:*

Q. Roughly speaking how many pounds of live lobsters does it take to make a pound?—A. About five pounds of live lobsters on an average make one pound of lobster meat—between four and three-quarters and five pounds but roughly speaking five. Now this cannery is situated at a place called Sea Cow Pond

*By Mr. Fraser:*

Q. I think if you were to hand the statistics in it would save time?—A. I can hand the statistics in and they can be taken as read, but perhaps I had better sign them.

The CHAIRMAN.—You had better sign them.

Hon. Mr. BRODEUR.—Hand them to the reporter. Do you wish to make any comment upon these statistics?

The WITNESS.—Only that I would like to call your attention to the average per trap, how regular it is, showing that the fishery is about in the same condition or was in 1908 that it was in 1900. There is one cannery I would like to call the attention of the committee to. A great deal has been said about small lobsters and about the catching of small lobsters having a tendency to exterminate the fishery. This cannery is situated at a place called Waterford, P.E.I.

*By Mr. Fraser:*

Q. Is that factory on the north side?—A. It is on the west end of the Island. I want to be perfectly frank with you about these small lobsters. I took over this cannery I think it was, in 1898, about ten years ago, but I have the statistics for the period from 1900 to 1907. Now the lobsters caught there are very small. After purchasing, or making arrangements to take over, that cannery when I went over the next spring and saw how small the lobsters were I thought I had made a very great mistake and that the supply would not last more than one or two years. In 1900 we fished 20 boats and 4,000 traps, and 249,654 lobsters were landed. The average per trap was 62·4. Now I will just give you the average per trap for the—

*By Mr. Daniel:*

Q. What was the average size of the lobsters caught there?—A. I would say not more than from six and a half to seven inches. In 1901 the average per trap was 60·6; in 1902 74·1, in 1903 77·2, in 1904 64, in 1905 64·9, in 1906 53·8, and in 1907 65; showing that they kept up at about a general average all through for seven years. As a matter of fact they are just as plentiful now as they were ten years ago when I bought the plant.

*By the Chairman:*

Q. In connection with that what do you think of the size limit, Mr. Tidmarsh?—  
A. The size limit? Well the size limit, Mr. Warburton, has never been enforced. We practically have no size limit and have not had for many years. There was an attempt made to enforce the size limit, I think in 1891 or 1892, by Sir Hibbert Tupper when Minister of Marine and Fisheries. He made a determined effort to enforce the size limit. He had instructions sent to Capt. Gordon, who then had charge of the Fishery Protective Service, to go to Prince Edward Island and see that the law was enforced. Captain Gordon visited a cannery that I was operating at a place called St. Peter's Island in Prince Edward Island. The lobsters there were larger than in most other parts of the Island. He put an armed guard in the cannery and detailed four men from the *Arcadia* to see that I did not take any small lobsters. These men arrived at the factory on the morning of the 10th June and on the 13th day of June I closed the cannery: I could not possibly get lobsters enough to operate. I really think that if you attempted to enforce the size limit you would not have a factory in operation in Prince Edward Island. I doubt if you would have a cannery in operation in Canada.

Q. That is any size limit?—A. I don't think you could enforce a size limit at all, any size limit. You would have to have an officer at each and every factory and it would have the result of closing up the canneries because we would not get lobsters enough to make it worth while for the fishermen to fish or the canners to pack.

Q. What would you say as to the question of the preservation of the spawn or berried lobsters?—A. I think the spawn lobsters when taken in the traps should be liberated alive and I do not think it would be a very difficult matter if you were to pursue an educative course. I think the fishermen could be educated to liberate the spawn lobsters. A great many of the fishermen now realize the importance of doing so. If the department, for example, would send some person to these fishing centres of the Maritime Provinces to lecture to the fishermen and show them the necessity of preserving the spawn lobsters you might form unions for the protection of these lobsters composed of both fishermen and packers, and I believe it would work out that in a very few years they would liberate the spawn lobsters without any legal proceedings. I do not think you can compel them to do it by a strict enforcement of the law respecting spawn lobsters; the work must be educative.

*By Mr. Daniel:*

Q. Well, according to your logic that would close up the lobster factories?—A. What is that, sir?

Q. If the fishermen instead of bringing these small lobsters into the canneries threw them overboard, according to your logic that would close the factories up?—

A. We are not talking of small lobsters, we are talking of berried or spawn lobsters.

*By Hon. Mr. Brodeur:*

Q. Do the canners refuse to receive these berried lobsters?—A. No.

Q. They do not refuse to receive them?—A. They do not refuse to receive them, they have not done so of late years.

*By the Chairman:*

Q. What has been the effect upon the lobster industry of the hatcheries that have been established?—A. I think the effect has been beneficial, it cannot be otherwise. In the vicinity of these hatcheries we notice in the fall of the year, particularly in the vicinity of Cape Traverse where they fish for a month or more until the 10th August, after the small lobsters are liberated from the hatchery a great many fishermen have told me they have found quite a number of small lobsters—what I mean is a little lobster about that long (illustrating with the hands) adhering to the traps. Previous to the establishment of the hatchery that was not noticeable so we attribute that to the hatchery. These lobsters are the product of the hatchery, we think.

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*By Mr. Fraser:*

Q. At what factory was that noticed?—A. Well these are factories located in the vicinity of Cape Traverse and from Tryon west where they have fishing from the 25th May until the 10th August.

Q. What hatcheries are located near there?—A. From the hatchery at the mouth of the Charlottetown harbour the lobsters are distributed all up that coast.

*By the Chairman:*

Q. A great deal has been said of late years, and there has been a very strong expression of sentiment, in favour of limiting the number of licenses. What have you to say in regard to that?—A. I think that limiting the number of licenses has been a benefit to the industry. On the whole I do not know that it has protected very many lobsters but it has certainly had the effect of producing a better article; it has confined the business to legitimate canners whose interest it has been to produce a good article. I think in that way it has been a great benefit to the industry.

*By Hon. Mr. Brodeur:*

Q. Are the canners doing anything to enforce the regulations?—A. Are the canners doing anything to enforce the regulations?

Q. Yes?—A. The only regulation that is very well enforced is the close season. All canners realize that that is a necessity and while there may be some infringement of the law in certain sections of the province and in the Magdalen Islands also it is not general by any means. Still it should be stopped absolutely. The close season certainly should be observed and there is no difficulty with a little effort and energy on the part of the officials in stopping illegal canning because the great majority of the canners believe that it is right to do so.

Q. But as far as the size limit and the canning of berried lobsters are concerned I understand the canners are not doing very much to enforce the law?—A. They have done nothing so far.

Q. They have done nothing?—A. No, nothing so far, they have taken everything that has been offered.

*By the Chairman:*

Q. Efforts have been made to enforce the close season and to prevent illegal fishing I think, Mr. Tidmarsh?—A. Yes. That was taken up by Sir Louis Davies when he became Minister of Marine and Fisheries and he and the officers did very effective work. Prior to that the close season was not respected much more than the size limit regulation was or the law against taking berried lobsters. But when in 1896 Sir Louis Davies became Minister of Marine and Fisheries he took a very determined stand on these matters. He was determined that the close season should be enforced and he appointed a party in Prince Edward Island, Mr. Hopkirk to look after that. That gentleman did his work very well and very effectually and practically stopped it in two years. The violation of the law was a general thing when he received his appointment and in two years he had it practically stopped. Had the same strict enforcement been maintained up to now there would be no illegal fishing in Prince Edward Island to-day.

Q. What is your opinion as to the length of the season?—A. We have two seasons in Prince Edward Island. In one section it extends from the 20th April to the 10th July. In another section it was from the 25th May to the 10th August. The last named season applies to only a small section of Prince Edward Island which extends from Cape Tryon to West Point, a distance I should say of about probably 40 miles. The lines inclosing the waters to which this close season also applies cross the straits to the mainland and it is operative in the County of Westmoreland, N.B., from Indian Point to Chokfish River.

Q. What do you say as to the length of the season, sir?—A. I think it is very well as it is. I do not think it would be prudent to take anything off the first part of



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the season because if you interfered to any great extent with fishing during the month of May you would hamper the industry a great deal. Two-thirds of the lobsters are put up during the month of May. I think the season as it exists now from the 20th April—

Hon. Mr. BRODEUR.—From the 26th April now.

THE WITNESS.—Is it from the 26th April now? Well from the 26th April to the 15th July is a very good season. If the department, after investigation, were to consider it necessary in the interest of the preservation of the lobster industry to shorten the season I think it might take ten days off the latter end.

*By Mr. Fraser:*

Q. What time do you say the season closes?—A. The 10th July in most places. I think the Commission of 1898, which inquired into these matters, did its work very well. I believe in these Commissions because they take evidence on the spot and they are better able to form an opinion.

*By Hon. Mr. Brodeur:*

Q. Do you mean to say that a Commission can better form an opinion than this Committee of the House?—A. Yes, I think so because they have the advantage of hearing both sides, of hearing all parties interested. I think that the fisherman should be represented as well as the canner. There are only between six and seven hundred canners whereas there are about 20,000 fishermen. They have a right to be heard and they only can be heard by the appointment of a Commission. There have been two Commissions within my recollection that investigated the lobster fishery and in both cases they did good and effective work. I was going to speak about the commencement of the season. It is a great advantage to be able to set our traps as early after the ice leaves as possible in most parts of the Island. There may be some parts where it is not advantageous but in most parts it is. Take for instance at Rustico, on the north shore of Prince Edward Island. In 1900 we started on the 3rd May, that is received lobsters on that date; in 1901 and 1902 on the 24th April; in 1903 on the 23rd April; in 1904 on the 27th April; in 1905 on the 26th April; 1906 on the 23rd April; in 1907 on May 9th, that was a late season; and in 1908 on April 27th. So in most cases you will notice we commenced to receive lobsters in April. The same thing applies to the other canneries. Most of the other canneries were always able to get to work in April and it is a great advantage to do so. We do not fish very long in Prince Edward Island. I have the statistics of one cannery which I will give to the Committee. This cannery is located at Rustico. In 1900 there were 46 fishing days; in 1901, 41 fishing days; in 1902, 33 fishing days.

*By Mr. Fraser:*

Q. Mr. Tidmarsh, you will have to tell the Committee what makes the difference in the number of days. Tell the Committee the reason you fish one year for 33 days and perhaps the next year 45 days?—A. It is owing to the stormy weather. Fishing operations are interrupted by storms. I would add that in 1903 there were 51 fishing days.

*By Hon. Mr. Brodeur:*

Q. Does this stormy weather occur at the beginning of the open season or during the season?—A. At the beginning of the open season we usually have very moderate weather for several weeks. Storms occur during the season in May and sometimes in June. There was one time in June, 1902 when we only had landed at Rustico factory 6,618 lbs. of lobster. A storm came and practically cleaned us out; we did scarcely anything during the month of June, so it shows the importance of starting in May. Well in 1904, we had 57 fishing days at that factory; in 1905, 55 fishing days; in 1906, 57 fishing days; in 1907, 48 fishing days; in 1908, 57 fishing days. In other words during the seven years we fished on an average 49½ days out of the season. That applies pretty generally to Prince Edward Island.



## APPENDIX No. 2

*By Hon. Mr. Brodeur:*

Q. You are no doubt aware that the local Legislature unanimously passed a resolution the other day asking that the season should open on the 26th April?—A. Yes, I am aware of that, but perhaps it is not always prudent to listen to what the Legislature do. They passed unanimously a resolution asking for a tunnel but I have not heard that they have received it. Next year they may pass a resolution asking for an airship. I really think the 20th April was about right. In my opinion these changes should not be made without consulting the parties interested. I think they should have a chance to express their opinions before any change is made in the lobster regulations.

*By Mr. Fraser:*

Q. Before you leave that point let us clear it up. Have you got any statistics to show that you caught lobsters on 20th April?—A. On the 20th April?

Q. Yes?—A. Not on the 20th April because we have first to set our gear and it takes a week.

Q. In April?—A. I have already given statistics to show that we have.

Q. What time in April?—A. Do you want me to read them again?

Q. Give the earliest date?—A. I have the statistics of several factories from 1900 to 1908. I will give you the figures for Rustico if you wish them over again but perhaps I had better take some other cannery. I will take Sea Cow Pond. I will take the period from 1903 to 1908: April 22nd, April 28th, May 1st. These are the days on which we receive lobsters.

*By Hon. Mr. Brodeur:*

Q. You need not go any further with that. Give us the quantity of lobsters caught in April?—A. The quantity of lobsters caught in April?

Q. Yes?—A. I cannot do that, I have not got the information.

Q. I thought you were reading some statistics of that nature?—A. I am giving statistics of the date on which we received lobsters at the cannery but not the quantities of lobsters.

Q. Give us then statistics that you have got respecting some of your other canneries?—A. These statistics are the dates on which we received lobsters at the cannery.

*By Mr. Fraser:*

Q. The first day?—A. The first day on which we received lobsters at this particular cannery. This cannery is at Sea Cow Pond.

Q. In what year did you receive lobsters on the 22nd April?—A. That was the year 1903.

Q. On what day did you receive lobsters in the year 1904?—A. 28th April.

Q. And the next year?—A. 28th April, 1905.

Q. And the next year?—A. First day of May.

Q. 1906?—A. Yes.

Q. And the next year?—A. 20th May. That was the season when the ice remained on the coast.

Q. And the next year?—A. 30th April.

Q. So that on the average you have not received very many lobsters before the 20th April?—A. No, but we have had the advantage of having our gear in the sea. It takes a week or 10 days to put the gear out.

Q. Is it not a disadvantage to put the gear out too early?—A. We have never experienced it.

Q. You have never lost your gear?—A. No.

Q. They have in some parts of Prince Edward Island?—A. Not very many, I think. They may have in some places, but not very many.

Q. In your locality the average catch would begin about the 28th April?—A. Yes, I think that would apply to most parts of Prince Edward Island.

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Q. The new regulations could not do any harm to that factory then?—A. Why?

Q. You can open on the 26th April?—A. Yes, but if we begin to receive lobsters on the 28th April that only gives us two days to set our gear.

Q. Cannot you set it in two days?—A. No, indeed, we cannot, it depends upon the amount of gear. It would take ten days to set the gear and it is several days after it is set before it fishes.

Q. Did it take ten days when you received lobsters on the 22nd April and the season opened on the 20th?—A. I wish to make an explanation in connection with that year. That year the 20th April occurred on a Sunday and the department granted us permission to set our traps on Saturday 19th, which gave us that much advantage.

*By the Chairman:*

Q. Would you have the lobster regulations passed by order in council or have them statutory?—A. I think they should be statutory. If statutory they would be more respected. The trouble is that they are so liable to change that the people seem to lose confidence in them. Any method that can be changed, or tightened, or relaxed does not seem to command the respect that a statute does. I think all our fishery laws should be statutory and it should be the duty of the department to enforce these laws. For example, if our laws were statutory any change that was proposed would have to come before Parliament and then we could make our views known through our representatives. Now the regulations are made by the Marine and Fisheries Department and we don't know anything about them until they become effective.

Q. Speaking about the traps used, what have you got to say as to the size of the openings in the traps?—A. The openings in the traps are smaller now than they used to be but not smaller than they were say five years ago.

Q. Do you think it is advisable to have them smaller?—A. You cannot have them much smaller. As a matter of fact the fisherman in his desire to prevent small lobsters from escaping stops the large ones from entering the trap.

Q. The suggestion was made since this committee was formed that the lobster fishermen be licensed and that none but bona fide fishermen received a license. What is your opinion upon that question?—A. I do not think it would be well to extend the license system to the fishermen. I think that would make it entirely too complicated and it would be difficult to determine who would be bona fide fishermen. What would be the qualification, what would be the standard. If you accept none but those fishing now, in one generation we would have no fishermen. I think that would be a complicated regulation in its operation and absolutely unnecessary.

Q. There was a matter brought up here at the earlier sessions of this committee with regard to the treatment of our fishermen in the State of Maine and the treatment of American fishermen here. What difference is there in the treatment in the State of Maine for those Canadians who wish to fish lobsters there and the treatment that the American citizens receive here?—A. There is no difference. If a Canadian citizen wishes to locate a lobster factory in the State of Maine he would have a perfect right to do so. There is no law to prevent him from doing so

*By Hon. Mr. Brodeur:*

Q. Are there any lobster canneries in the State of Maine?—A. No, because it is not profitable to operate them there. Lobsters go into the market alive. There is no distinction made there between Americans and Canadians; any one can locate there.

*By Mr. Daniel:*

Q. Can our fishermen engage in the fishing industry in the United States?—A. Do they engage in the fishing industry?

Q. Are they allowed to do so by law?—A. They are, certainly.

Q. They are?—A. Certainly, they go from Nova Scotia by the hundred every spring to engage in the fishery.

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Q. That is in the deep sea fisheries?—A. In the deep sea fisheries. There is nothing to prevent them from engaging in the shore fishing. Canadians can go there and operate. Any man can go there and buy lobsters or any other fish excepting clams. He could not fish clams because the towns own the clam beds.

Q. Could a Nova Scotian own a fishing vessel in the United States?—A. Could he own a fishing vessel in the United States?

Q. Yes?—A. No, sir, he could not. Neither could an American own a fishing vessel here.

Q. Could he sail a fishing vessel as captain?—A. I think not without taking the oath of allegiance. I think that is a common thing in all countries, that the captains of vessels must be citizens of the country.

Q. They will allow them to work for somebody else, but not to run a ship of their own?—A. Not run a ship of their own, but they can run an establishment of their own on shore. You refer to fishing vessels. It is marine law I suppose you are talking about now. Marine law differs, you know, from the law governing operations on shore.

Q. You are speaking of the fishing industry whether at sea or on shore. You say that while the law provides that no aliens shall command a fishing vessel in the United States there is no law to prevent an alien from engaging in the fishing industry on shore?—A. None.

Q. Or preventing him from owning ships or boats?—A. Or any ships or boats provided those vessels are not registered.

Q. You cannot register a vessel over there?—A. Aliens cannot register vessels in their own names. They cannot here, can they?

Mr. DANIEL.—Well I am not on the witness stand.

*By the Chairman:*

Q. We have gone into the question of the enforcement of the law. Can you give us any idea, seeing that this matter has been brought before us as to the extent and methods of business of the American canners who operate in Canada?—A. Yes, I think I can tell you all about it.

Q. Please tell us briefly?—A. What is it you particularly wish to know about the business?

Q. The extent of the—?—A. The extent of the business?

Q. Of the American canners?—A. I can speak of the Portland Packing Company and tell you exactly what they are doing. I have no objection to telling you.

Mr. FRASER.—What is the witness going to tell us now?

The CHAIRMAN.—He is going to speak about the extent of the operations of the American canners in Canada.

A. Oh the American canners? I am going to give you now the output of the canneries of the Portland Packing Company in Canada—I mean in Prince Edward Islands and the Magdalen Islands. This is for the year 1908, the past year. There were 8,085 cases of lobsters packed in their own canneries. That is for Prince Edward Island and the Magdalen Islands. In New Brunswick there were 4,697 cases packed. The total number of lobsters packed by the Portland Packing Company in Canada that year was 12,755 cases. That is cases of lobsters put into one-pound cans. There were purchased from Canadian canners 5,148 cases, or a total of 17,903 cases. That is what we handled in Canada last year.

Q. The Portland Packing Company is really the largest of these firms?—A. The Portland Packing Company and Burnham and Morrell are the two largest operators. I cannot give you anything definite about the operations of Burnham & Morrell. I should say their output is about the same. Taking the two concerns the output would be between 38,000 and 40,000 cases, a large proportion of which were purchased by them.

Q. Have they any special methods of doing business in Canada?—A. No, I do



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not think so. They came and located their factories here and have had them here for many years, for over 40 years, and they employ Canadian labour entirely.

Q. They do not import any American labour?—A. They import no labour. I could not tell you exactly how many people we employ in Prince Edward Island or the Magdalen islands. I should say several thousand. There is one young man working for me who is an American citizen and he is the son of a friend of mine.

Q. You yourself are not an American citizen?—A. I am not an American citizen and never expect to be.

*By Mr. Fraser:*

Q. Just on that. You say there is no lobster fishing on the coast of the state of Maine?—A. I said there was no fishing.

Q. Yes?—A. I don't think I said so.

Q. You said there were no canneries there?—A. There are no canneries there.

Q. Have there ever been canneries there?—A. Yes.

Q. What happened to the canning industry there?—A. When the live lobster industry came into prominence the canneries closed because it was more profitable for the fishermen to sell to the live lobster dealers than to canners; the live lobster dealers would pay more for the live lobsters.

Q. Did you ever do any live lobster exporting?—A. No.

Q. You never did any?—A. No, I have had no experience in the exporting of live lobsters.

*By the Chairman:*

Q. This investigation has been conducted for some time into the lobster industry but the scope of the committee is wider than that; it is intended to take up all the fisheries. I am not going into any other subject just now, but simply to ask this question. The advisability of a fishery Board of management on the coast has been suggested. What is your opinion as to that?—A. I think a fishery Board of management, that is a local Board to act as an advisory Board to the Marine and Fisheries Department, is a very necessary agency. I think it would be a good thing. This Board would be present on the spot. They could get a better idea of the fisheries in general and the requirements than could be done by men in the department at Ottawa.

*By Hon. Mr. Brodeur:*

Q. How many Boards would you suggest?—A. I would suggest one Board for the Maritime Provinces.

Q. One Board for the Maritime Provinces?—A. I think one Board for the Maritime Provinces would be sufficient.

Q. You would have no Boards outside of that?—A. I think one Board composed of three or four men would be sufficient for the Maritime Provinces.

*By the Chairman:*

Q. That is something on the same principle as the Scotch Board?—A. Something on the same principle as the Scotch Board.

Q. Could you give us some information on that point?—A. I cannot give you very much. I have some little information here that I noted one time but it is not very—

*By Hon. Mr. Brodeur.*

Q. You suggest the creation of a Board as an advisory body?—A. I think as an advisory body.

Q. The Board in Scotland is more than that, it is an administrative body?—A. I think in Scotland it is more than that.



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*By Mr. Daniel:*

Q. Do you think it would be better to have the Board an administrative body?  
—A. Well you might make it an advisory body first and then later, after getting some experience, it might be well to convert it into an administrative body; but I do not believe in these sudden, extraordinary changes. I think we ought to go slowly in these matters, feel our way and find out what is the most suitable. Certainly we should have some Board in the Maritime Provinces that would look into these matters right on the spot and that would be there and be able to adjust things and recommend to the Department what should be done.

Q. If their recommendations were considered to be of value would it not be better to give them the power to put them in force?—A. Perhaps it would, I am not sure about that. I would not like to express an opinion because I do not know enough about it; I do not know how these Boards work. It would be only tentative, it would be experimental, and perhaps it would be well first to constitute an advisory board and if it were found better afterwards to make it into an administrative board that would be very easily done. I think that in the case of such a Board the Commissioners, or whatever they may be termed, should work without salaries. They should be willing to give their time, it would be only a matter of a few weeks in the year, to give their time for nothing. That is the way they do in Scotland.

*By Hon. Mr. Brodeur:*

Q. How would that Board be composed?—A. How would you compose it?

Q. Yes?—A. Compose it say of one man from Prince Edward Island, two from Nova Scotia and two from New Brunswick. These should constitute the Board.

Q. What kind of men would you require, business men or fishermen?—A. I think all interests should be represented.

Q. All interests should be represented?—A. On that Board? I think so.

Q. You would have a constant fight between those different interests?—A. Well there are only three interests; there would be the canner, the exporter of live lobsters and the fisherman.

Q. Yes, but there are other fisheries also?—A. Yes, there are other fisheries.

*By the Chairman:*

Q. This would be a general Board?—A. I know it would be a general Board. I quite understand that.

*By Mr. Daniel:*

Q. Does the Scotch Board exercise any oversight over lobster fishing? There it is mostly herring and other kinds of fish but not shell fish?—A. The herring fishery is their chief fishing industry in Scotland. They have lobsters there also and I presume the Board would have supervision of all the fisheries and of the officers that are appointed by the Government.

*By Hon. Mr. Brodeur:*

Q. To-day the department receives advice not from a regularly organized Board, but from the officers and inspectors of fisheries under its control in different parts of the Maritime Provinces?—A. Yes, I know but you take those fishery officers that are in the Maritime Provinces and they are not very enthusiastic about the fisheries. They receive small salaries, some of them I believe from \$40 to \$50 a year, and you cannot expect very great results from men paid in that way.

*By Mr. Daniel:*

Q. Is there any other reason why they have lost their enthusiasm?—A. I don't

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think they ever had it to lose. I never knew but one fishery officer in Prince Edward Island, and that was a man by the name Hopkirk who was very enthusiastic. The rest of them do not appear to care very much whether the regulations are carried out or not.

Q. Is it not a fact that the fishery officers have been discouraged from the fact that if they report any one for an infringement of the fishing laws, after a while the fine, if there is one inflicted, is remitted? The officer finds that his efforts are of no avail and that instead of protecting the fisheries and carrying out the law he is making enemies for himself? Is there not a good deal of that about it?—A. I think there is.

Q. You think there is?—A. Yes, I think there is a good deal of that about it, the officers have not received the support they should have received.

*By Hon. Mr. Brodeur:*

Q. Are you able to say from your own knowledge that the Department of Marine and Fisheries has remitted fines within the last two or three years?—A. No, they have not remitted fines, no one has been fined that I am aware of. I think that in some cases the fishery officer has not received quite the support from the department he should have received.

Q. Well, now as to that point, it is a serious charge against the department and I want to find out how far you are informed on the subject. Tell me in what case any such action was taken?—A. I can tell you, Mr. Brodeur, of one case. There was a case taken by a fishery officer in Prince Edward Island against a party for violation of the fishery regulations.

Q. When was that?—A. When was it? I should say perhaps three years ago?

Q. What is the name of the man?—A. Is it necessary that I should give the whole facts?

Q. It strikes me as very extraordinary because I do not remember ever remitting any fine?—A. I think this was before your time.

Q. You have just made the general statement that the officers do not get any encouragement from the department because we are in the habit of remitting fines. I want to tell you that that is a statement which I am sure cannot be supported by the facts?—A. About the remission of the fine? I did not say there were any fines remitted. I said I did not think the officers in all cases received the support from the department that they should receive. But if you wish me to cite this particular case I will cite it. It was the case that was taken by Mr. Hopkirk against Messrs. George D. Longworth & Co. for the violation of the Fisheries Act and Mr. Longworth was summoned to appear in Court.

*By Mr. Fraser:*

Q. What provision of the Fisheries Act did he violate?—A. I think the charge was fishing out of season or something of that kind. The trial was set down for a certain day and the department telegraphed to Mr. Hopkirk to postpone it. He postponed it for a week and then they telegraphed him to postpone it again. Eventually after several postponements they wired him not to proceed with the case. That is one case that I know of.

*By the Chairman:*

Q. That was several years ago?—A. That was several years ago. I daresay Mr. Warburton is familiar with the case too. That is one case I have given you. I do not know what the extenuating circumstances were. I don't know why the department did that. They might have had some good cause for doing it, I cannot tell you that, but it was certainly rather discouraging and that particular case was known all over the province and I think the fishery officers perhaps heard of it.

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*By Mr. Fraser:*

Q. You say the violation of the law consisted in fishing after the season?—A. I think so, fishing after the season or something of that kind.

Q. You are aware that the season is well observed in Prince Edward Island with some slight exceptions?—A. It is well observed in the counties of Kings and Queens, it is remarkably well observed there is no question about that; but in the county of Prince there are some sections where the law is not observed.

Q. Where it is not observed?—A. Not very well observed.

*By Hon. Mr. Brodeur:*

Q. Is the case you have cited the only one you have in mind?—A. That is the only case I know of.

Q. So that when you stated a few minutes ago that the officers do not get the support from the department, the encouragement, which they should get, you were simply relying upon this particular case?—A. That is the only case I can cite.

Q. Do you know of any other case where the officers are not fulfilling their duties?

The CHAIRMAN.—I think if I remember aright the case in question was one in which the employees of this firm packed lobsters after the season.

The WITNESS.—I am not sure as to that but I remember the case.

*By Hon. Mr. Brodeur:*

Q. Of course, the law has not been carried out with regard to the size limit?—A. The law has not been carried out? No, it has not.

Q. If it has not been carried out that was not the fault of the department?—A. Oh, no.

Q. It was a matter of general consideration?—A. General consideration, certainly.

Q. Have you got any other facts to substantiate the charge that the department are not encouraging the officers there?—A. No.

*By Mr. McKenzie:*

Q. What would you say should be the functions of the fishery board, what duties would you assign to them?—A. I would assign to them the general supervision of the fisheries.

Q. Regulating the season for example?—A. Being on the spot they might recommend to the department and consult with them and lead the department, or the government to make laws.

Q. Recommending the extending or shortening of the season would be one thing would it not?—A. Yes, if they deemed that necessary.

Q. Would you submit to their judgment the size limit of lobsters which should be caught or taken?—A. I think so, that would be part of their functions.

Q. And what else would you say?—A. The length of the season.

Q. That was your first suggestion and the size limit was the second. Is there anything else that you think should be within their jurisdiction?—A. Well, the limitation of canneries.

Q. And the number of licenses?—A. The number of licenses to be issued.

*By Mr. Daniel:*

Q. Is there any inspection of the lobster meat at the time it is being canned?—A. There is none.

Q. There is no inspection of the product before it is canned?—A. None.

Q. None at all?—A. No.

*By Mr. McKenzie:*

Q. I suppose the question of the propagation of lobsters would be a subject for this board to deal with?—A. It certainly would.



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Q. And the inquiring into the operation of hatcheries and pounds?—A. Yes.

Q. You have no lobster pounds on the Island?—A. No, we have none.

Q. You are familiar with that method of propagating the lobster?—A. I know something about it, but I have had no practical experience.

Q. You would not be in a position to say how the pound compares with the hatchery in regard to the propagation of the lobster?—A. No, I would not.

Q. Why would not a competent inspector, one man, a capable inspector, do that within his district just as well as the board?

Hon. Mr. Brodeur.—Or have the different inspectors meet and confer daily.

*By Mr. McKenzie:*

Q. Is there any good reason why this could not be done if you had the right man?

—A. The difficulty would be to get the right man.

*By Hon. Mr. Brodeur:*

Q. I suppose the same difficulty would present itself in the formation of such a board?—A. No, I do not think so because as a matter of fact all the departmental officials are appointed politically, they are political appointments, and the government do not always get the most efficient men. An unpaid board would be a board composed of people who for the love of it would take an interest in the carrying out of regulations for the preservation of the fisheries.

*By Mr. McKenzie:*

Q. Is it not true that we have very few such men of leisure in the maritime provinces?—A. There are not very many. You could not expect the same body to serve more than three years. A man could serve three years on the board gratuitously and resign in favour of some person else. I think you would find enough patriotic men down there who would be willing to do that.

*By Mr. Daniel:*

Q. The chairman of the Scotch board, I think, is a paid officer?—A. The chairman or secretary, I am not sure which. In the event of your having a board that served gratuitously you would have to have a paid secretary.

Q. And other paid officials?—A. And probably other paid officials under the board.

*By the Chairman:*

Q. Would not a board of that kind be constituted on the same principle as boards of trade. Those attend to the business because it is to the general interest?—A. Yes.

Q. They do not get paid, but they serve because it is to their interest as business men to have these questions attended to?—A. Yes. There is one thing I have not expressed an opinion upon and that is the limitation of the licenses.

Q. What have you got to say as to that?—A. The regulation limiting licenses is a very unpopular regulation, and I think it must cause the department a very great deal of trouble. It does not seem in some cases exactly fair that one man should be given a privilege over another. I know that in Prince Edward Island it has caused a good deal of friction and trouble. For example, a young man who thoroughly understands the business wishes to embark in it, that is in lobster canning. He makes application for a license and he is refused one. That man feels aggrieved, he feels that he has been injured, and I don't know but what he has been. I think the department have a perfect right to place on the license what limitations they see fit. They might limit the packing season, for example, to two weeks; but if a bona fide canner who understood the business and intended to put up an up-to-date, modern lobster cannery wished to embark in the business and applied for a license I think he should have it.



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Q. That is you would not restrict the number?—A. I would not restrict the number provided the man who goes into the business intends to invest some money in it and intends to put up a proper cannery and that might be regulated by stipulating what shall constitute a cannery.

*By Mr. McKenzie:*

Q. Along the lines suggested by the minister, what would you think of boards composed of the fishery inspectors? We have four or five men who are inspectors of districts. For instance in Cape Breton we have one inspector I think.

Hon. Mr. BRODEUR.—There are three in Nova Scotia.

Mr. McKENZIE.—There are three in Nova Scotia and you should have one or two on the Island.

Hon. Mr. BRODEUR.—Two in New Brunswick and one in Prince Edward Island.

*By Mr. McKenzie:*

Q. If that board, or a quorum of it would go on circuit and hold court at the different centres and listen to what might be said by the packers and the fishermen it ought to be possible to put right some of the grievances represented to them or make recommendations to that effect to the department? If we cannot get a Board composed of gentlemen of leisure do you not think that courts going on circuit composed of these inspectors would have a good effect upon the fishermen and the packers and also upon the inspectors themselves?—A. It possibly might have but I do not think it would take the place of an independent board. They are departmental officials and they are under the guidance of the chief officers at Ottawa and they would not be able, perhaps, to act as independently as persons who were absolutely independent.

Q. Well why not, if you take a competent official why is he not absolutely independent in the making of a recommendation along the line of his duty?

Hon. Mr. BRODEUR.—I am afraid, Mr. Tidmarsh, that your statement with regard to the independence of the local officers and local inspectors is not very well in accordance with the facts.

The WITNESS.—It is not in accordance with the facts?

Hon. Mr. BRODEUR.—Because the local inspectors have got absolute freedom.

The WITNESS.—They have?

Hon. Mr. BRODEUR. Yes.

The WITNESS.—I was not aware of that. Of course, I only made that suggestion. I thought it might be the case that they might be influenced by the chief officials at Ottawa. You say they would not. I do not think they would be quite as independent as the members of such a Board as I suggest.

Hon. Mr. BRODEUR.—I mean as far as their recommendations are concerned. I do not mean to say that all their recommendations are acted upon, but as far as their recommendations are concerned they are absolutely free.

The WITNESS.—As far as their recommendations are concerned they are absolutely free?

Hon. Mr. BRODEUR.—Yes.

The WITNESS.—Well, their recommendations are not always acted upon.

*By Hon. Mr. Fielding:*

Q. I am not a member of the Committee but I am very much interested in the subject and perhaps I may be pardoned for asking a question or two. You speak of having an independent Board and you contrast that Board with a batch of officials under the influence, as you say, of the Department. Suppose the so called indepen-

dent Board did something which in your judgment was not reasonable and proper, what then?—A. Well, how could they do anything? It could not take effect until it had received the sanction of the Department or the sanction of Parliament.

Q. That is precisely the same condition that exists with regard to the officials today: they cannot make regulations, they can only recommend. Wherein would that differ from a Board in that respect?—A. Wherein would a Board differ from the officials?

Q. Yes?—A. In perhaps being more independent.

Q. They would not have so much knowledge as to the fisheries, they might not have so much capacity?—A. Perhaps they would have more knowledge and more capacity. If you made a judicious selection they would have more knowledge.

Q. You think you would get men who would be willing to assume these duties with greater knowledge than officials who have spent a good deal of their lives in close touch with the fisheries? Is it reasonable to suppose that in the way you suggest you would get gentlemen to sit as Members of this Board who are familiar with the fishing industry?—A. I think you would.

Q. You would have them serve on this Board for three years and then pass out?—A. You cannot expect them to serve forever.

Q. Would not that have this result: that about the time they would know a little about the fisheries they would have to go out?—A. My idea would be to appoint men who know all about it.

Q. Do you think such men can be found?—A. I think they can be found. I think they certainly can be found in Nova Scotia, and the other Maritime Provinces, prominent fish merchants for example, who knew all about the fisheries. I know I read from time to time letters in the papers, in the Halifax 'Chronicle' or the Halifax 'Herald', from men who seem to know a very great deal about the fisheries.

Q. Admitting that, as a matter of fact fishermen are generally pretty suspicious of these prominent merchants are they not?—A. Yes, they are.

Q. And yet you think such men if appointed to a board would have the confidence of the fishermen? Would they not be just as likely to have trouble with the fishermen as the officers would?—A. The fishermen should also be represented on the board.

Q. Then can we get the average fisherman who can afford to give his time to these duties for nothing?—A. That would appear to be a difficulty.

Q. I am afraid it would.—A. That would appear to be a difficulty, getting the fishing element represented on the board. They could hardly be expected to serve for nothing.

*By Mr. Daniel:*

Q. Do you know the character of the men who serve on the Scotch board?—A. I do not. I think the fishermen are represented on that board.

*By the Chairman:*

Q. Have you got the composition of the Scotch board with you?—A. I thought I had some extracts relating to it but I do not appear to have that information.

Mr. DANIEL.—I think in one of the reports of Prof. Prince there was a statement given of the constitution of the Scotch board.

Hon. Mr. BRODEUR.—Mr. Venning has the information upon that.

Mr. DANIEL.—It was in some report that I saw the information.

Hon. Mr. FIELDING.—In the old country there is a large leisured class who are able to give their services gratuitously, but this country is hardly old enough to have developed such a class.

Mr. DANIEL.—Supposing they were paid their expenses?

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*By Hon. Mr. Brodeur:*

Q. What do you think, in connection with the board idea, of the idea of having the inspectors meet occasionally here in Ottawa, or in the Maritime Provinces, to confer as to the regulations necessary and the best method to be adopted to protect our fisheries?—A. I think it would be beneficial.

*By Mr. Loggie:*

Q. At the factories you have named do you know how many lobsters it takes to the pound can?—A. Yes. There is only one factory I have named, Mr. Loggie, where we take lobsters by count. I can give you the average.

Q. You have given us five pounds?—A. That is weight.

Q. That is weight I know, but I mean the number of lobsters it takes to the pound can?—A. I will give you the general average of three years at the one cannery where we take lobsters by count and where they are very small. It is 9.64.

Q. Then I suppose you can tell us what the percentage would be there under seven inches in size?—A. There would be a very large percentage under seven inches, I could not tell you how many.

Q. Would there be one-half?—A. I would not like to say so because I have not made accurate measurement and I cannot say definitely.

Q. There would be more than one-half for this reason: Prof. Prince has said it would take nine lobsters of seven inches to make a can. How many of these small lobsters do you say it would take?—A. 9.64.

Q. If it takes 9.64 there would be over half of those lobsters that are under seven inches?—A. Well, probably.

Q. If the lobsters under seven inches had to be thrown back into the water could the factory be operated and pay expenses?—A. No.

Q. That is to say with the hope that the following year these lobsters would be perhaps on the grounds and even grown to a proper size? Even if these lobsters could be caught the following year could the factory be operated?—A. No, I do not think so.

Q. Have you any suggestion to make? Suppose the department in their will thought it was necessary for the future of the lobster industry to enforce the size limit, what could you suggest as a way of getting out of the difficulty in the interest of those who have capital invested in the lobster industry?—A. If the department decided to enforce the size limit we would certainly have to close our factories, that is all there would be about it.

Q. Can you not suggest some other way?—A. And still preserve the fisheries?

Q. With a view of enforcing the size limit, say later on? Could this be done with less hardship to those who have invested their money in the industry: that next year the size limit would be made seven inches and the year after made a little larger and so on?—A. We would close our factories, we would not operate at all.

Q. You would not operate at all?—A. No, we would close our factories, there would not be any doubt about that.

Q. There is another perhaps very important matter and that is about the berried lobsters. Are the factories that you think doing all they can to help the department by saving those berried lobsters?—A. The factories are doing nothing to help the department in that respect.

Q. The factories are doing nothing?—A. No.

Q. Could you not suggest something as to how the factories could help the department?—A. I think I have already made a suggestion along those lines.

Q. I was not here when you made that suggestion?—A. I suggested that the department send a competent officer to the maritime provinces to lecture to the fishermen and to form unions for the protection of berried lobsters and to pledge



themselves to liberate these lobsters. I think it could be done. There is a strong sentiment in favour of it to-day.

Q. That is a very good suggestion, but have you anything else you could suggest besides that? Have you not places along your coast where these spawn lobsters could be bought from the fishermen and set at liberty, the fishermen to be paid for them at the end of the season?—A. I don't think so. I think that that would be too expensive a process altogether, to buy all the spawn lobsters. If you are going to buy from the fishermen all the spawn lobsters in Canada, it would amount to an enormous amount of money. If you once introduce that plan in one section of the country it will soon spread to the other. The fishermen will all be demanding payment and in a very short time you would be paying for spawn lobsters along the whole Atlantic coast.

Q. There is already a place in Nova Scotia where a large quantity of spawn lobsters are bought in that way. They are then liberated and the fishermen are paid for them at the end of the season?—A. Where do they put these lobsters.

Q. They have a pound, called the Baker pound?—A. That can only be confined to certain localities, you could not have that as a general plan.

Q. Could not the officials go around and pick out suitable places for that purpose?—A. They certainly could but what are you going to do with the fishermen who is not in the proximity of the pound and cannot sell his berried lobsters? He would demand pay for his lobsters, he would demand that a pound be established in his locality so that he could sell his berried lobsters also.

Q. I think it would have an excellent effect if carried out in certain localities?—A. Your plan would be very expensive. About one-third of the lobsters taken in Prince Edward Island are spawn lobsters.

Q. It would save a good deal of money?—A. Yes, why not save that? I maintain that if the fisherman is properly instructed and properly educated he will return spawn lobsters to the water and it will not affect him very much during the season because he will get that lobster after it has deposited or hatched its spawn. I don't think it would affect a cannery to the extent of five cases of lobsters a year: If all berried lobsters are liberated he will get them again after they have deposited their spawn.

Q. I don't know about that?—A. I have never made the experiment, but I will tell you what a friend of mine did on the north shore of Nova Scotia some years ago. He told me that he took 50 spawn lobsters, tagged them and liberated them out on the fishing grounds. He told the fishermen to report to him from time to time if they caught these lobsters and when they caught them without the spawn on to bring them to the cannery. During the season nearly every lobster was accounted for; it was delivered to the cannery without the spawn.

Mr. LOGGIE.—That shows these lobsters spawn before the season is over?

*By Mr. Fraser:*

Q. How could he tag a lobster?—A. By taking a piece of wire and putting it around the claw.

Q. Do they not cast their shell every year?—A. They cast their shell, but the shell was not cast at the particular time that the wire was over. That would not prevent the lobster from changing its shell.

Q. If you put a wire around him would it not?—A. Not at all. If you put a wire around the claw the lobster would be tagged. The meat shrinks so it is drawn through the claws of the lobster.

*By Hon. Mr. Fielding:*

Q. You stated that if any attempt were made to enforce the size limit, either the present limit or almost any other that might be established, you would have to close up your cannery. Now that would probably be true as respects the size limit, but as



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respects the enforcement of the regulation prohibiting the taking of berried lobsters?—A. It would not be.

Q. It would be hard sometimes to educate the fishermen, there being so many of them. It ought to be easier to educate the canner because he is not so numerous. Is it not possible to prevent the canner from taking berried lobsters?—A. I think it is.

Q. I think the canner who uses berried lobsters commits a very grave offense for which there should be very little mercy on the part of the fishery officer?—A. That is right, but what about the fisherman who catches them?

Q. Do you not think it is harder to make the fisherman appreciate this than it is the canner? If there was no canning of berried lobsters the fisherman would not bring them?—A. On the other hand if the fisherman did not bring them the canner could not buy them.

Q. I come back to the point that it is easier to educate the few cannerymen than to educate the many fishermen?—A. I don't believe in placing the whole responsibility on the canner. I think the responsibility should be assumed jointly and I think we should get at the fisherman so as to make him understand he is jointly responsible with the canner and that if he is found with berried lobsters in his possession he is responsible and if the canner is found with them he should be responsible for them also.

Q. Yes, but it is easier to look after the canner than it is to look after the fisherman and I cannot quite understand why the canner should want to use the berried lobster?—A. We don't want to use them but I believe, as I said before, with a little education you can very soon get over that and the fishermen will return these lobsters to the water. Let the two get together and have some mutual agreement. If I refuse as a canner to take spawn lobsters from the fishermen and my neighbour buys them I am not placed in a very happy position.

Q. Would it not be quite easy to enforce the law as regards the taking of spawn lobsters with the machinery existing to-day? Do you not think that if the canner were severely penalized he would cease to buy the spawn lobster and the same number of factories would run? I am trying to draw a distinction between the small lobsters and the spawn lobsters?—A. It would be very harassing. No matter how careful the canner would be, he would be liable to be fined for taking spawn lobsters.

Q. I think he ought to be.—A. How are you going to prevent it? You have 15,000 lobsters coming into your cannery. It would take ten men to examine those spawn lobsters. A fisherman can pick up a lobster and tell immediately whether it is a spawn lobster or not. You can by a little education and bringing the cannerymen and fishermen together get the latter to agree that they will liberate the spawn lobsters while they are alive.

Q. The fishery officer would have difficulty in getting after a hundred fishermen on the coast in a morning but he can get after one cannery?—A. The fishermen have to deliver their lobsters at one central cannery. If you attempt to enforce that law very strictly, the fishermen would wash the spawn off. That is a very simple process.

Q. Is it not possible to recognize lobsters so treated?—A. It is if you examine them very closely.

Q. Could not any one of your men detect a spawn lobster the moment he looked at it?—A. An experienced person by turning the lobster over could tell but he could not if he saw the lobster lying in a pile; it would require a close examination.

Q. The idea of permitting the spawn lobster to be taken is so very bad I do not see how it can be defended?—A. It cannot be defended. I am not trying to defend it. I never see a spawn lobster in a cannery that I do not feel ashamed of myself. The regulation could certainly be carried out but with very great hardship to the cannerymen.

Q. You have shown that the canning industry has been practically destroyed in Maine by the live lobster trade replacing it. The live lobster trade is moving quite a bit east is it not?—A. Yes, it has moved east as far as Canso.

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Q. There has been an attempt to ship live lobsters from Prince Edward Island but it has been unsuccessful; the Prince Edward Island lobster will not live.

Q. It will not live?—A. No, it is not so strong and hardy a lobster as the Atlantic lobster.

*By Mr. McKenzie:*

Q. You are not a packer?—A. Yes.

Q. I do not think you are giving your evidence merely from the standpoint of the canner. Your evidence is very general and very satisfactory, but is there anything that you can suggest to this committee from the standpoint of the fisherman that should receive attention in his interest?—A. I do not think I can suggest anything just now; there is nothing that occurs to me.

Q. You understand what I mean. Suppose you were a fisherman and attending here for the purpose of suggesting remedies for the evils which may exist in connection with the lobster fishery from the standpoint of the man who fishes. Is there anything you would suggest to this committee that you think should be done, by way of regulation or otherwise, to benefit the condition of the fishermen?—A. No, there is nothing that I can suggest.

Q. You have stated that in your district the fishermen and the canners take every lobster that comes no matter what size it is, and that there is a large proportion of small lobsters, perhaps under eight inches in length, canned. Has it not had a deleterious effect upon the lobster industry in Prince Edward Island, the catching of these small lobsters?—A. No.

Q. It has not had such an effect?—A. It has not.

Q. You think it is really not injurious to the lobster industry to catch these small lobsters?—A. It does not appear to be. The catch is maintained, the output is maintained year after year as I have shown by my statistics and these lobsters have been taken all along.

*By Hon. Mr. Fielding:*

Q. Is there a substantial difference in the size of the lobsters of Prince Edward Island as compared with the lobsters in Western Nova Scotia? Is the large lobster in Prince Edward Island smaller than the large lobster in Western Nova Scotia? Is there any particular difference in the respective waters which affects the size of the lobster?—A. There is.

Q. To a considerable extent?—A. To a considerable extent. The lobsters in Prince Edward Island are very much smaller than those in Western Nova Scotia and they always have been.

Q. So that in the event of maintaining the regulation as to size there would have to be a different size limit for the eastern waters?—A. There certainly would.

*By Mr. Daniel:*

Q. What is the smallest sized lobster you have found berries on?—A. Well as a rule we don't find them on lobsters less than nine inches in size. Occasionally you may find an eight-inch lobster with berries on. A party told me a few weeks ago that he saw one about seven inches in size with spawn on it; but that is a very rare occurrence. At from 10 to 10½ inches in size they reach their greatest period of fecundity.

Q. That would look as though there was not much difference in the size of lobsters in different parts of the Maritime Provinces? If comparatively few lobsters under nine inches in size become berried it would show that the size is about equal all over?—A. Well I do not think the facts would bear out that conclusion. Lobsters are

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smaller in Prince Edward Island and all around the Gulf than they are in the western part of Nova Scotia. I had some experience in the western part of Nova Scotia years ago. I operated two canneries there, one at Clark's Harbour and the other at Wood's Harbour, Shelbourne county, and I know the lobsters there were much larger than they are in Prince Edward Island and it has been that way in Prince Edward Island since I have been there.

Q. Lobsters have to reach a certain size before they can reproduce?—A. That is correct.

Q. The statement you made was that the berried lobster is generally nine inches in size or over. We have been told it is the same in the Bay of Fundy and on the western coast of Nova Scotia?—A. I suppose it goes to show that lobsters do not produce to any large extent until they have passed a limit of nine inches.

*By Mr. Turgeon:*

Q. How many years is it since you commenced operations in Prince Edward Island?—A. I commenced operations in 1885.

Q. Did you find then that the lobsters, generally speaking, were of larger size than they are now?—A. They were of larger size than they are now.

*By Mr. Loggie:*

Q. Would the lobsters in 1885 be very much larger?—A. I think so. They were larger than they are now but not very, somewhat larger.

Q. If it now takes 9.64 lobsters to make a pound of canned lobster at your Waterford factory, what number would have been required at the same factory in 1885?—A. I could not tell you. I was not operating the factory at that time.

Witness discharged.

Mr. JOHN McLEAN, M.P.P., called, sworn and examined.

*By Mr. Fraser:*

Q. You live at Souris, P.E.I.?—A. Yes.

Q. How long have you been in the lobster industry?—A. About 30 years.

Q. How many cans did you pack last year?—A. In our factories—we have three factories of our own, but we supplied five others—they packed 4,200 cases.

Q. You are aware that the lobster fishing used to open on the 20th April?—A. Yes for the last few years.

Q. Do you consider that was the right time for such opening?—A. Well in certain sections it is. On the north side of Prince Edward Island it does not make much difference, I mean where their season opens on the 1st May or earlier. I may say that I have the dates on which one of our factories—

Q. The dates on which you began to operate one of your factories?—A. Yes, I have those dates for 15 years. In 1894 the factory started May 1st, in 1895 and 1896 on May 11th, in 1898 on May 12th and in 1908 on the 7th May.

Q. During these 15 years the factory only opened twice in April?—A. That is all.

*By Hon. Mr. Brodeur:*

Q. And then at the end of April?—A. I might just tell the minister that, as doubtless he is well aware, there was a resolution passed in the Legislative Assembly with respect to the date on which the season should open. That resolution was introduced in the first instance by Mr. Agnew, who was afterwards appointed speaker, and I



took charge of it. That resolution asked that the season should open on the 1st May and close on the 10th July. The members allowed the matter to stand over for a week until they consulted their constituents, both the packers and the fishermen, and as a compromise the resolution was made to take effect on 26th April. That was in deference to the wishes of the packers and fishermen on the southern side of the Island. On the southern side of the Island, and more especially round Murray harbour and those districts, the ice leaves the coast earlier and does not bother them in the spring; they sometimes commence fishing on the 20th April. I would prefer that you should ask me questions rather than that I should make a statement.

Q. What opening date would you recommend yourself?—A. If I was speaking personally, I would say the season should commence on the 1st May north side of the Island and 20th April on the south side, and close on the north side on the 10th July and on the south side on the 1st July.

Q. You would open on the north side on the 1st May and on the south side on the 20th April making the season the same length on both sides—A. Yes.

*By Hon. Mr. Fielding:*

Q. You would make the season the same length in each case?—A. Exactly. I was going on to say that on the north side of the Island we find the seasons when we open pretty late are generally the best seasons for catching lobsters. In illustration of that I might mention that in 1907 at one factory we opened on the 24th May and closed on the 10th July, and the catch amounted to 220,577 lbs. of lobsters. The year before we opened on the 1st May, that is 24 days earlier, and only caught 137,081 lbs. of lobsters. That was at the same factory and using the same number of traps.

*By Mr. Fraser:*

Q. Do you say that as a rule the later the season is the better the catch?—A. Yes.

Q. That has been your experience in these factories?—A. Yes. I might give my reasons for that statement. I don't know whether they are correct or not. It is the experience of the lobster fishermen on Prince Edward Island that when the ice stays on the coast the catch of lobsters is better, the ice does not come in very close to the shore, but say one-half or three-quarters of a mile away, and the herring get in between the ice and the shore in large schools and spawn. As soon as the ice leaves, the lobsters follow the herring on to the spawning ground to feed on them and on other fish that are on the bottom.

Q. Then a season when the ice moves away late is generally a better season for catching lobsters?—A. That has been our experience. I have some figures here which would take too long to read so I will hand them over to the stenographer. The first year in the table is 1894, when we opened on May 1st, and the catch amounted to 194,259 lbs. of lobsters. The catch continues in varying quantities until 1902 the first year when the season was extended. We fished that year until July 19th and the catch amounted to 102,386 lbs. Most of the lobsters we caught were taken during the period from 1902 to 1907 at that one factory with the same number of traps and the same number of fishermen.



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## MEMO. OF CATCH OF LOBSTERS FROM 1894 TO 1908.

Date.	First Catch.	Last Catch.	
1894.....	May 1	July 9	194,259 lbs. shell fish.
1895.....	" 9	June 25	158,232 " " storm smashed cutty.
1896.....	" 11	" 16	86,749 " " " "
1897.....	" 13	July 15	98,440 " " " "
1898.....	" 12	" 14	96,371 " " " "
1899.....	" 15	" 14	100,720 " " " "
1900.....	" 12	" 9	85,133 " " " "
1901.....	" 11	" 3	92,924 " " " "
1902.....	April 30	" 19	102,386 " " extension time.
1903.....	" 28	" 10	145,397 " " " "
1904.....	May 6	" 10	193,340 " " " "
1905.....	" 6	" 10	198,281 " " " "
1906.....	" 1	" 10	137,081 " " stormy season.
1907.....	" 21	" 10	220,577 " " " "
1908.....	" 7	" 10	190,738 " " " "

About the same number of traps used' in catching these amounts each year.

W. McEWEN.

Souris, March 31, 1909.

Q. What is your experience of the general catch, is it increasing or decreasing?—

A. It decreased from about 1889 to 1892. At that time there were a great many factories on the island and the business got overdone; they were fishing at all seasons of the year. There was a good deal of illegal fishing after the season had closed and the regulations were not strictly enforced. Since the new regulations came into force we find that the lobster fishing on the north side of the Island where the coast is straight and you can get a practical idea of the number of traps set in a certain area of water has held its own both as regards the size and quantity of lobsters caught as the figures will show.

*By Hon. Mr. Brodeur:*

Q. What is the average size of the lobsters caught on the Island?—A. Well, I might say, Mr. Minister, that in 1892, when the licenses were first issued, or about the time that Sir Hibbert Tupper was going to pass a resolution calling for licenses, he sent Mr. Wilmot down to Cariboo near Pictou to find out exactly how many lobsters were being packed illegally and his experience at that time was 55 per cent. That was between berried lobsters and short sized lobsters. I don't know that the percentage has varied very much since.

Q. You think it is just about the same?—A. Yes, I should think so.

*By Mr. Fraser:*

Q. You think that about fifty-five per cent of the catch are undersized lobsters?

Hon. Mr. BRODEUR.—Not undersized lobsters merely.

The WITNESS.—Undersized and berried lobsters.

*By Mr. Fraser:*

Q. Do you think the percentage is about the same yet?—A. I think so.

*By Hon. Mr. Fielding:*

Q. How small are the lobsters that are taken?—A. As small as six inches, probably five inches in some localities.

*By Hon. Mr. Brodeur:*

Q. Would it be possible to enforce the lobster regulations to-day?—A. I do not think it would be possible to enforce the regulations and keep the industry going.

Q. Would it be possible to begin by enforcing a size limit of 7 inches and gradually bring it up to 8 inches?—A. I do not think you could get the fishermen to fish at all under those circumstances. As far as I am personally concerned I can make only one practical recommendation towards improving the fisheries to any greater extent than at the present time, and that is to shorten the season.

Q. You would recommend the shortening of the season?—A. To shorten the season would be my recommendation. You see you are not only hiring your fishermen to catch lobsters for you, but you are also employing help in the factories. At the factory I spoke of there are 14 fishermen engaged and there are 45 hands in the factory. The season is so short now that they ask you to engage them for the whole time, that is, you cannot dismiss them if you are short of lobsters, or if there is a stormy day. They feel it is not fair to them to be dismissed simply because you think you have too many hands, so they ask to be engaged for the whole season. If you want to give the lobsters any protection, my opinion is that it should be done in the way of shortening the season so as to save the lobster industry from going down.

Q. How much shorter would you say?—A. I would say that on the north cape of Prince Edward Island from East Point to North Point the season should last until July 1.

Q. From May 1 to July 1?—A. Yes. It is only a few years since April 20 was fixed as the date for opening. That date was fixed for this reason: the fishermen used to be over-lapping each other and they ran great risk in having their gear out before it was safe from the ice. Each fisherman, of course, did his best to get well located. The department saw fit to make the date of opening April 20. Then if a fisherman went out and found lines already set he was at liberty to take them in or set his own lines over them.

Q. And you think that the department could not enforce the size limit regulation even with lobsters of 7 inches?—A. I do, sir.

Q. Is the regulation in regard to berried lobsters enforced?—A. I heard Mr. Tidmarsh's evidence on that point. But if you take the north side of the Island it is pretty nearly a straight coast from East Point right down to Malpeque. There is no bay, there is no place in which you could place these berried lobsters and the fishermen would hardly take the trouble to throw these berried lobsters out of the boat when they catch them. It is very probable that if a berried lobster was taken the fisherman would either take his mitt and rub the berries off or remove them by brushing the lobster rapidly through the water rather than put it overboard. That has been done and I am doubtful if after 4 or 5 days it could be detected at the factory. I think that on the south side of the Island where there are bays and mouths of rivers the berried lobsters might be preserved. It would be a very good thing and the fishermen would be very glad to do it.

Q. What would be your suggestion, so far as Prince Edward Island is concerned, with respect to the regulations?—A. My suggestion is for the department to get statistics and if they find the lobster industry is going down, although I claim it is not declining, then these laws can be observed and you can shorten the season.

Q. That is your only suggestion?—A. That is my only suggestion which would be in the interest of the packers, the fishermen and the labourers engaged in the factories.

*By Mr. McKenzie:*

Q. And you would shorten the season by taking a part off the end you say?—A. I would take it off the month of July. I do not think the lobsters are so large in July. In that month the lobsters come in from the sea but later on right along the

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whole coast they come in from deep water to the shore. In the month of July the lobsters commence to get soft and the quality of the meat is not as good as it is early in the season; in fact from my experience of 30 years the market for May caught lobsters is very much better than for lobsters caught in any other month of the year.

Q. Your remedy then would be to stop fishing at an earlier date than is done now?—A. Yes, if it was found necessary.

*By Hon. Mr. Fielding:*

Q. Do you not think that if the department could be persuaded to abolish the size limit it would be possible to enforce the law against taking the berried lobster?—A. I think so, sir, and I think also cutting off a short time in the month of July. More berried lobsters are found in the month of July than in any other month in the year. Furthermore it is just like this: we find that scarcely any fish is protected during the open season, whether it is the male or the female. Take the salmon, the trout, or any other fish. They are protected by a close season not by discriminating between the male and female during the open season.

*By Mr. Daniel:*

Q. I think I saw some regulation prohibiting the catching of salmon under 4 lbs. in weight?

Mr. VENNING.—There is a limitation of 3 lbs.

*By Hon. Mr. Brodeur:*

Q. Do you think the licenses to can lobsters should be restricted?—A. I would like if you will allow me to explain that. Before the license system was started in Prince Edward Island there were a great many factories and the lobster market was very low and a great many persons engaged in the lobster business became bankrupt. That would be during the period of 1889 to 1892. Then the licenses were issued. It was understood that all canners that had run factories within two years should get the licenses. Factories that had gone out of existence and had not been operating within that period were not to get them. That was the understanding, and the license system has worked fine. It has done so in two or three ways. In the first place by the fact—I am speaking now of Kings county and know the facts there—that the inspector in that county allows no man but himself to handle any labels. He puts the labels on the cases himself and, therefore, if that practice is strictly adhered to it prevents illegal lobsters being packed. Where the labels are handed to the packer and he pays for a license, say for 500 cases of lobsters, and he only gets 400 cases of lobsters and has 100 labels over. Then he will go on packing out of season and putting the labels on himself. In Kings county, as I say, the inspector does not give any labels to any of the packers at all, he puts them on himself. When you call on him you tell him that you have so many cases to ship. He goes there and puts the labels on himself. That prevents a man from putting on any labels himself, if he has any left at the end of the season. Consequently, if he packs any lobsters at the end of the season he does so at very great risk. Therefore, I think the law has been strictly carried out so far as fishing out of season is concerned.

*By Hon. Mr. Fielding:*

Q. What would you do with regard to the restriction of licenses which is a very vexed question?—A. Well, it is just like this, Mr. Fielding: every license that you give means the putting out of so many more traps. It is a question with the department whether Prince Edward Island has factories enough or not. I would prefer myself that it should be thrown open to every fisherman, or that no license should be issued either to one or the other. If thrown open to all fishermen the difficulty would



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very soon cure itself. There would be so many small factories started that the quality of the lobsters canned would go down rapidly. In every place there would be lobsters packed in small factories that would not be up to the standard and could not be sold in the market on the other side.

Q. Would that not be governed by the adoption of a regulation prescribing the character of the factories as suggested by Mr. Tidmarsh?—A. Certainly. If the factories were put up in a first-class manner there ought to be no hesitation in giving them a license. Those factories should be required to come up to a certain standard. When the factories started first a great many lobsters were handled in small factories that were allowed to get very filthy through not being thoroughly washed. In properly equipped factories there is a class of tables on which the lobsters are placed when they are being packed that can be thoroughly washed and kept quite clean, or the tables are covered with zinc so that when the lobsters come off and those tables are washed they are perfectly clean. In these small lobster factories the lobsters, from economical motives, are placed on wooden boards, and these boards get very sour.

*By Hon. Mr. Brodeur:*

Q. And does the lobster meat contract the odour?—A. If the meat gets the least odour it will become blown in the cans, it will ferment in the cans.

*By Hon. Mr. Fielding:*

Q. But suppose a standard factory should be required, not too expensive, of course, not too large, but sufficiently well equipped to permit of its being operated at a profit?—A. It would not depend upon the size of the factory, it would depend upon the output of the factory. And the lobsters should be handled in such a way that the product would be fit for the market.

Q. But if there could be some regulation as to the character of the factories that would work in the interest of the canners, would there be any harm in allowing the issue of licenses under it?—A. It would arouse jealousy between the fishermen if one man could get a license and another man could not. Any man should be allowed to open a factory of a certain size.

*By Hon. Mr. Brodeur:*

Q. Or a certain number of fishermen should be allowed to do so?—A. If they put up a factory of a certain size.

*By Hon. Mr. Fielding:*

Q. If they complied with the regulation as to the character and output of the factory?—A. From my experience of 30 years I would say that a factory that does not put up 400 cases cannot make any money. In view of the number of people they have to employ in a factory and what they have to pay in the way of salaries there is not so much money in it, no matter what the price of lobsters is, unless they pack up to 400 cases. Of course, in the case of the smaller factories their expenses are not so large in proportion.

*By Mr. Fraser:*

Q. Do you think there could be anything done with the live lobster trade?—A. Not with the present facilities for shipping, I do not think so.

*By Hon. Mr. Fielding:*

Q. Mr. Tidmarsh suggested that the island lobster has such a peculiar quality that it cannot live to be transported to Boston. Is that your judgment too?—A. No, Mr. Fielding. I think we have just as large lobsters around Prince Edward Island as



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there are around Nova Scotia. I mean the lobsters in deep water, not those that come in around the shore. The lobsters taken in deep water are larger than those that are taken in warm water on the shore and canned by the factories. You will understand that the ring that is in the head of the traps is only 4½ inches across, and it does not allow large lobsters to enter. But sometimes the fishermen get lobsters that are 8 and 9 pounds in weight and, of course, those lobsters would stand shipment to anywhere.

Q. You think it is only a question of transportation?—A. I think it is.

Q. You know that as the live lobster business has progressed east from the State of Maine to Nova Scotia and replaced the canning industry, it will move to Prince Edward Island and probably have the same effect?—A. You can understand that they have in Nova Scotia a different season altogether. The water is cold in the winter time, and that is the time they ship. They ship a great many of their live lobsters that are taken out of cold water in the winter time, and only the larger lobsters. These lobsters can stand transshipment better than lobsters which are shipped in July. Our season only extends from May 1 to July 10. Our experience would be that we would have to ship live lobsters taken in warm water, because we are not allowed to catch lobsters after July 10. I do not know what the experience would be if we were allowed to catch lobsters in October and ship them.

*By Mr. Fraser:*

Q. If our people on the island were allowed to catch lobsters in October and had good fishing facilities, could the live lobster trade be worked up?—A. Yes, but in saying that I am only giving you my opinion.

Q. They have had no experience there in that way?—A. No experience.

*By Hon. Mr. Fielding:*

Q. Wherever the live lobster trade has opened up it has made it more difficult to carry on the canning industry, and might also drive it out?—A. It would make it more difficult for the department to do justice as between the live lobster trade and the canning industry.

Q. Excepting this: there will always be a demand for canned lobsters and the market must pay a higher price, because the world wants that product?—A. Yes.

Witness discharged.

Mr. MEDDIE GALLANT, Bloomfield, P. E. I., called, sworn and examined.

*By the Chairman:*

Q. I believe you have been in the lobster fishery business in the western end of Prince Edward Island in Prince county, P.E.I., for a number of years?—A. Yes, I have been fishing for about 16 years.

Q. Are the lobsters increasing or decreasing?—A. Do you mean of late years?

Q. Yes?—A. Well, this last three years the lobsters have held about the same, fairly good.

*By Hon. Mr. Brodeur:*

Q. The catch is about the same?—A. Yes, the catch has been about the same these last three years.

Q. What about the size of the lobsters caught?—A. The size I would say is about the same, there is not very much difference.

Q. Not much difference?—A. No.

Q. If there is any difference it would be that the lobsters caught now are of a smaller size?—A. A smaller size.

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*By the Chairman:*

Q. What do you think as to the size limit? Do you think the size limit should be kept at 8 inches? I think it is 8 inches now?—A. It is a pretty hard matter to arrive at. The season is short, only two months, and the size limit is 8 inches. If that were strictly observed you might as well close all the factories.

Q. In other words you think that size limit cannot be enforced?—A. I think it cannot be enforced.

Q. Could the size limit be reduced to 7 inches and then gradually increased?—A. There might be a little in that.

Q. What is your opinion as to the preservation of the berried or spawn lobsters?—A. My idea about it is that there is only one way that it can ever be arrived at.

Q. What is that?—A. It is to buy the berried lobsters from the fishermen, pay them so much for them. I would say that about 3 per cent of the lobsters there are berried lobsters. There are about 3,000 boats around Prince Edward Island and the average catch of lobsters would be about 10,000 to a boat. At 3 per cent it would only make a sum of about \$18,000 for these 3,000 boats. Ten thousand to a boat would be a very big average. That is the only way you can do it. Because you put the fisherman out on the lobster grounds and he fishes there and he catches berried lobsters. If you take two lobsters of the same size, one with berries and the other without, the berried lobster will weigh about a pound and a half more than the other. So you see the fishermen are very keen to get all there is in it.

Q. And you think the best way would be to buy up all the berried lobsters?—A. Buy them up, that is the only way.

Q. What would you do after you had bought them?—A. I would let them go again.

*By Hon. Mr. Brodeur:*

Q. Then they could be caught again and you would have to buy them at the same price?—A. Yes.

*By the Chairman:*

Q. That system would be all right if you had a pound to keep them in?—A. Yes.

Q. What do you think about the number of licenses? Do you think it would be well to restrict the number or to allow any one who was able to pack to have a license?—A. My opinion on that is that every one who wished to go into the packing of lobsters should be given a license. I know that to-day if I could get a license I would go into the business. It is a good paying business now, but was not when lobsters were \$4 or \$5 a case.

*By Hon. Mr. Brodeur:*

Q. What about the co-operative plan, that is a certain number of fishermen banding themselves together and obtaining a license?—A. That would be a good system.

*By the Chairman:*

Q. The same system that is worked in the case of cheese factories?—A. Yes.

*By Hon. Mr. Brodeur:*

Q. That would be a good system?—A. That would be a good system. One man may not be strong enough to go into it, but with a number of them it would be all right.

Q. Under that system they share between them the profits and the losses?—A. Each would share.

*By the Chairman:*

Q. What is your opinion as to the length of the season?—A. As to the length of the season, I would say begin about April 20.

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*By Hon. Mr. Brodeur:*

Q. April 28?—A. April 20, I would say. Early in April, when the ice melts away we always get our best pack. But I would not extend the season any further than July 1.

*By the Chairman:*

Q. You would cut off a part at the end of the season?—A. For this reason: The fishermen at first have their traps in deep water, and as soon as the catch of lobsters begins to slacken off they move their traps into about a fathom and a half of water and catch these small lobsters.

Q. They move their traps in?—A. They move their traps into the rivers where these small lobsters of only 3 or 4 inches go and catch them in their traps. Some of the lobsters that are handled are only  $3\frac{1}{2}$  inches in size.

Q. Do they fish for lobsters on the inside of the bays?—A. Not in all, but in a good many of them.

Q. How far do they go up in Casumpsee bay?—A. They go right up around Fox Point and right along the Narrows.

Q. They go up the Narrows, do they?—A. Yes.

Q. How are the regulations enforced up there, is the size limit observed at all?—A. No, not in these late years at all.

*By Hon. Mr. Brodeur:*

Q. I understand it cannot be enforced in the case of a large number of factories?—A. It could not be very well enforced, I mean you could not observe the law as to the size limit of lobsters.

Q. What is your suggestion as to what should be done?—A. In order to what?

Q. In order to maintain the lobster industry?—A. Well, my idea is this: We have a great many fishery officers around the island and they are not paid very much. They are getting from \$30 to \$34 a year, and it is possible will not look closely after the fishing. It would be better, in my opinion, to have only a few officers and give them a living salary.

Q. It is all very well to have good officers and pay them well, but are the existing regulations in regard to lobsters enforced? If not, what changes should be made according to your view? Should we enforce the existing regulations, and if not, what changes should be made in them?—A. Well, as I said before, if we go to work and enforce the regulations up to the present size limit most of the factories will be closed down.

Q. You are not in favour of that?—A. No, I am not in favour of that.

Q. Then what would you suggest?—A. What I would suggest is that we should shorten the season to July 1.

Q. From May 1 to July 1?—A. No, from April 20.

Q. From April 20 to July 1?—A. Yes.

Q. And have no enforcement of the size limit?—A. No.

Q. And no enforcement of the berried lobster regulation?—A. You must do something. That is a pressing matter about the berried lobsters. If there is one thing that has got to be looked after it is the berried lobster.

Q. Suppose we shorten the season and make it from April 20 to July 1, and enforce the regulation with regard to berried lobsters, that would be satisfactory you think to the fishermen, and desirable as far as the industry is concerned?—A. I would say so. I would enforce the law respecting berried lobsters and allow them to fish—

Q. Any size they want?—A. Any size they want from that time.

*By Mr. Loggie:*

Q. Is not all the ground, that is fishing ground where you could put traps, pretty well occupied at the present time?—A. Oh, yes.

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Q. There is hardly a place where it would pay to fish traps but there are traps to be found?—A. They are mostly everywhere, but not as many as there have been.

Q. There are more traps according to the accounts we have had than there used to be?—A. Not in my locality. I know one place where six factories that used to operate are not operating now but only the one.

Q. Is the ground covered as well?—A. There is not more space, but they put out more lines.

Q. Is there enough ground in the district you speak of to support two or three more factories?—A. I would not say two or three. On the particular ground that I am talking about three factories could be very well run.

Q. The man that is operating the one factory must be getting very wealthy on it?—A. He has these two or three years done very well.

Q. Other than these two or three years the factories have not done very much on that same ground?—A. No.

Q. Why did the other factories close up?—A. When they started there they used to get an immense quantity of lobsters, but the price of lobsters was very low.

Q. What was the reason for closing the other factories you spoke of?—A. The lobsters got very scarce and small.

Q. Why did the factories close up?—A. Because the industry was not paying.

Q. And, of course, if you establish more factories it would be all the harder on the factory that already operates there to make it pay?—A. It would pay very well, the price of lobsters is better.

Witness discharged.

Committee adjourned.



## COMMITTEE ROOM No. 32,

## HOUSE OF COMMONS,

THURSDAY, April 15, 1909.

The Select Standing Committee on Marine and Fisheries met at 11 o'clock, a.m., Mr. Sinclair, Chairman, presiding.

Mr. THOMAS CANTY, of Bathurst, New Brunswick, called, sworn and examined.

*By Mr. Turgeon, (Gloucester, N.B.):*

Q. You have been living in Bathurst for many years?—A. Yes, sir, for many years—thirty years or more.

Q. You are an officer of the Department of Fisheries?—A. Yes, sir.

Q. What is your title?—A. Overseer of fisheries.

Q. In the County of Gloucester?—A. Yes, sir.

Q. What is the extent of your district?—A. The extent of my district is about 42 miles.

Q. Along the sea coast?—A. Yes, sir, along the coast of the Baie Chaleur.

Q. How many years have you been a fishery overseer?—A. Since 1897 or 1898, 1897 I believe.

Q. That district is considered an officered fishing district?—A. Yes, sir.

Q. How many licenses have you in that district or about?—A. There are six or seven licenses—seven or thereabouts.

Q. As overseer of fisheries have you endeavoured to carry out the regulations of the department?—A. Yes, sir, I did all I could with the little help I had.

*By the Chairman:*

Q. Did you succeed?—A. Not to say entirely—that is the trouble.

*By Mr. Turgeon:*

Q. You found it pretty difficult sometimes?—A. Yes, sir, pretty hard.

Q. Have you made every possible endeavour to carry out the regulations?—A. Yes, sir.

Q. And you say it was pretty hard?—A. Yes, sir; it required more assistance.

Q. You say it required more assistance?—A. Certainly.

Q. What assistance had you?—A. Only one officer down there for the lobsters. Of course I have two or three others, but they are for the salmon.

Q. And you think with further assistance you could possibly enforce the regulations?—A. Certainly, no doubt.

Q. Do you consider the enforcement of those regulations a necessity for the preservation of the lobster industry?—A. Yes, sir.

Q. You think by allowing the fishermen to catch, or the canneries to can, small lobsters is very injurious to the industry?—A. Of course it is.

Q. The size limit of your district is eight inches I understand?—A. Yes, sir.

Q. Do you consider that an eight-inch lobster produces a great deal of eggs?—A. No, an eight-inch lobster is not very productive in spawn.

Q. It does not produce much?—A. No, sir.

Q. Does a seven-inch lobster produce any at all?—A. I do not think it—very little if they do; nothing worth while.

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Q. What is the size at which a lobster commences to produce to the best advantage?—A. From nine or nine and a half inches up.

Q. According to your experience the size limit should be nine inches?—A. By rights it should.

Q. Would it be practical to enforce that size limit?—A. Not exactly.

Q. Do you find the nine-inch lobsters getting scarce?—A. Yes, sir, they are getting scarce.

Q. Do you think you could enforce the eight-inch limit strictly without closing the different canneries?—A. Certainly, but it might affect the canners a little the first year.

Q. But not the second or third year?—A. They would gain by it in time no doubt.

Q. You think that the operators would soon be repaid for the loss they might make in one year?—A. Yes, sir.

Q. Your duty does not bring you to the coast of Shippigan Island?—A. No, sir, I don't go any further than Caraqueet Bridge.

Q. You often meet the other officers around there?—A. Very often.

Q. You have conversations with them on this question?—A. Yes, sir.

Q. They find that they should have more help also, I suppose?—A. Yes, sir.

Q. For how long would you require further assistance?—A. For the time being, for about a month or a month and a half.

Q. What is the season in your district?—A. From the 19th of April to the 10th of July.

Q. Do you consider this season to be good all the time?—A. Well, around the first part of April they cannot fish because the coast is generally full of ice, and that is time lost, but as soon as the ice is away of course they can fish easy enough.

Q. Do you consider the fish is any good for all of that season until the 10th of July?—A. No, sir, because there is a time when the lobsters come ashore and they generally can those soft shell lobsters.

Q. You consider they are not in a healthy condition then?—A. No, sir, far from it.

*By the Chairman:*

Q. Do you think the season too long?—A. Well no, but if it was shortened on one end and lengthened on the other it would be better, because in April they cannot fish.

Q. Did you say that in July the lobsters are soft?—A. Yes.

Q. And they should not fish?—A. They should not fish—they should knock off fishing for a while, and then begin in August.

Q. I see, you want two fishing seasons?—A. Yes, sir.

*By Mr. Turgeon:*

Q. After what date in June do the fish get into an unhealthy condition?—A. I should say to commence again about the beginning of August.

Q. But I am asking you at what time they commence to get in a bad condition?—A. About the middle of June—as soon as the water gets warm.

Q. When the water gets warm?—A. Yes. That all depends—sometimes the water does not get warm as early as other times.

Q. And you consider that for a month or more the fishing is not in a good condition, generally speaking?—A. Yes, sir.

Q. Therefore, according to your judgment would the fishing during these few weeks in June and July be against the interests of the lobster industry?—A. Yes, sir. It would be injurious to the fishermen and also to the merchants because they would not get as good fish. Lobsters caught when in small shell are soft and no good.

*By the Chairman:*

Q. What open season would you advise?—A. I would advise stopping from the middle of June up to August, and then let them go from August for a month or so.

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Q. You would give them August?—A. Yes, sir.

Q. Would it not be better later than that?—A. No.

Q. Why?—A. On account of rough weather. We generally have rough weather in August or the beginning of September.

*By Mr. Turgeon:*

Q. Do you think after the 1st of August the lobster is in better condition again?—A. Yes.

*By Mr. Kyte:*

Q. You would fish up to the 1st of July and leave out July and begin in August again?—A. Yes, sir.

*By Mr. Turgeon:*

Q. You would leave a week or two in June according to your experience, also?—A. No, I would not leave any in June.

*By the Chairman:*

Q. That is a pretty short close season, one month?—A. Well, after the lobsters leave the shore and return to deep water it is pretty good.

Q. What proportion of undersized lobsters are caught in your district now?—A. They catch all they can.

Q. Give an estimate of the number?—A. They catch from six inches up.

Q. They catch lobsters as short as six inches?—A. Yes, sir.

Q. And a large number—a large proportion?—A. I would say I suppose one-third.

Q. One-third under eight inches?—A. Yes, sir.

Q. Do you measure them?—A. Very often we do when we find them, but you see it is such a long distance that you can hardly get at the canneries in time and besides they get in the habit of boiling or cracking outside the factory.

Q. Whereabouts?—A. Around the shore.

Q. Around the shore, you say?—A. Yes, and then after they are cracked you cannot tell whether the lobster is undersized or not.

Q. Is that a legal practice?—A. Yes, sir.

Q. You can catch the lobster and crack him in the boat?—A. Not in the boat, but around the shore.

Q. Anywhere on the shore?—A. Yes, sir.

Q. And take the meat?—A. Yes, sir, and take the meat to the factory.

Q. But it has to be boiled?—A. Certainly.

Q. And they must have a boiler?—A. Yes they have a boiler on the shore.

Q. How can they do that on the shore?—A. Very easily; they make a fireplace and boil them.

Q. It is away from the packing place altogether?—A. Yes, sir.

Q. How many boilers has a factory generally?—A. Two in the factory.

Q. And outside?—A. I do not know.

Q. A large number?—A. Yes. I suppose there are about 12 or 14 fishermen who boil, or more.

Q. You think this practice is carried on for the purpose of evading the law?—A. No, it is in their own interest because it is handier to boil the lobsters and carry the meat to the cannery—it is less trouble and easier work.

*By Mr. Turgeon:*

Q. I suppose that was carried out by fishermen living far away from the canneries?—A. Yes, by those fishermen living four or five miles from the canneries, and they use the shells for manure—that is another advantage for the farmers

*By the Chairman:*

Q. How many of those six-inch lobsters will fill a can?—A. It would take eight or ten.

Q. Bearing in mind the character of the fishing of late years in your district how many lobsters would it require to a can, as a rule?—A. On an average it would take about eight.

Q. Such as they fish now?—A. Yes, on an average.

Q. That is mixed, taking them as they come?—A. Yes, sir. That is what the fishermen generally tell me.

Q. If they only have seven-inch lobsters how many would it take?—A. It would take less than the six inch ones.

Q. How many lobsters of seven inches?—A. It would take about five or six lobsters to fill up a can.

Q. You can fill a can with five or six lobsters of seven inches?—A. Yes, sir.

*By the Chairman:*

Q. And how many legal eight-inch lobsters does it take to fill a can?—A. One or two more.

Q. One or two less, you mean?—A. Yes, sir, I mean one or two less.

Q. How many fines have you imposed in your district last year?—A. I did not impose any.

Q. Have you given up fining them altogether?—A. No. When I get them, but it is not very easy. I have many places to see, and I have the salmon to look after, and the river, and with one guardian for lobster purposes it is not enough.

*By Mr. Turgeon:*

Q. What effect would it have if we were to allow the canneries to can six and seven-inch lobsters?—A. It would be a failure before long.

*By the Chairman:*

Q. Is there a decrease in your district in your time of the catch?—A. Yes, sir, a decrease.

*By Mr. Turgeon:*

Q. The large ones have decreased?—A. Yes, sir.

*By the Chairman:*

Q. Can you give the figures of the decrease in your district?—A. Not exactly.

Q. You have been ten years overseer?—A. I have been fishing lobsters some years ago with 100 traps and I would get about 1,000 lobsters a day, and now it would take I suppose 1,000 traps to catch 1,000 lobsters per day.

Q. You mean that there is not more than an average of one lobsters in a trap a day?—A. Yes, sir. There are a good many traps that have no lobsters at all, and another day may have half a dozen.

*By Mr. Kyte:*

Q. How many factories are there now in your district?—A. Six or seven.

Q. Have you any knowledge of the number of cases packed in each factory for the last ten years?—A. They generally pack from two to four hundred—generally about 300.

Q. 300 cases?—A. Yes, sir. Of course there are small factories. Last year there was a factory that only packed 48 cases, and some packed 100 and some 75.

Q. Do you know the number by which the factories have increased in your district during the ten years?—A. No, sir.



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Q. Is it the same number as now?—A. No, sir, there are two less now.

Q. And you say the aggregate number of cases packed by all the factories is less now than it was ten years ago?—A. Yes, sir.

Q. What do you say as to the number of traps used, are there more engaged in lobsters or fewer?—A. More.

Q. More now than ten years ago?—A. Yes, sir.

Q. And of course a greater number of traps?—A. Yes, sir, a greater number of traps, and of course they have to occupy more ground.

Q. I was not in when you began to give your evidence, but I suppose you stated already or did you, when they began fishing in your district?—A. As soon as the ice goes away; the time is from the 19th of April to the 10th of July, but they never fish in April, or very seldom; in fact I do not remember that they ever did.

Q. The catch of lobsters is greater in the earlier part of the season than it is coming on July?—A. Yes, sir.

*By Mr. Turgeon:*

Q. What do the fishermen do with berried lobsters?—A. They crack them. They do not throw them away; they crack them and boil them. You see they have the habit of cleaning those lobsters outside.

Q. You do not see them with the berries on, they clean them off?—A. Yes, sir, they are cleaned off.

*By Mr. McKenzie:*

Q. How often do you visit the factories?—A. Generally two or three times a month.

Q. You have a guardian?—A. Yes, constantly on the ground.

Q. At each factory?—A. Yes, sir.

Q. You do not mean to say you have an official under you who attends each factory every day?—A. No.

Q. How many guardians?—A. Only one—that is for the lobster purposes.

Q. How often does he visit the factories?—A. Three times a week.

*By Mr. Turgeon:*

Q. Why don't you have him every day?—A. Sometimes I do tell him, but I suppose his business calls him elsewhere—he is a farmer.

Q. Do you pay him for every day?—A. Well, the inspector generally tells me to cut down the expenses.

*By Mr. Kyte:*

Q. Do you really believe that the inspector would find very much fault with you if you caused your guardian to go a little oftener to the factories?—A. I suppose he would have to consent to it, but still he would kind of blame me.

Q. How do you say the assistant is paid?—A. So much a day.

*By Mr. Chisholm:*

Q. How many factories are there under your supervision?—A. Seven.

Q. How far are they apart?—A. The first one west is about 15 miles.

Q. Fifteen miles from the second?—A. Yes, and the second to the third five or six miles, and from the third to the fourth the same distance.

Q. And from the fourth to the fifth?—A. From the fourth to the fifth is about eight miles.

Q. And to the sixth and the seventh?—A. About three or four miles.

*By Mr. Kyte:*

Q. Have any been fined for boiling small lobsters?—A. No, but I always tell them that if I catch them I will fine them.

*By the Chairman:*

Q. They pay no attention then?—A. Well, they do—very often they boil at night though.

*By Mr. Kyte:*

Q. Do they think you are trying to catch them?—A. Oh, yes, and I would have them fined if I caught them.

Q. As a matter of fact would not the packers prefer not to buy those small lobsters?—A. That is what they say, but of course the more meat they get the better for them.

Q. But the smaller ones are less profitable?—A. Yes, but it is no more trouble for them—they are there by the day——

*By Mr. Turgeon:*

Q. Do you think in your district any way, the canneries do all the boiling of the lobsters or do the fishermen boil any of them?—A. Well, the men boil them, too.

Q. How do they employ these men?—A. By the day I believe. I believe the older firms are by the season.

Q. And the fishermen?—A. They are for the season, too, that is for the lobster season.

Q. On wages?—A. Yes, sir.

*By the Chairman:*

Q. How much?—A. I could not say. Some \$30 a month according to the capability of the men.

*By Mr. Kyte:*

Q. So it is the operators who buy the small ones—if they did not buy them the men would not catch them?—A. Certainly not.

Q. It would not make any difference to the fishermen how many fines you imposed?—A. Not at all.

*By Mr. Chisholm:*

Q. The statement has been made that 20 pounds of small ones would have as much meat as 20 pounds of large lobsters?—A. I do not believe it, sir. It is hard to believe because a small lobster, say a six or seven-inch lobster, there is very little meat in it, and you will take a nine or ten-inch lobster and it is as much as a man can eat, while you can eat a couple or three small lobsters.

Q. Perhaps the couple would not be any heavier than the large one?—A. Well, that it is.

*By Mr. Kyte:*

Q. The statement was made here by some expert, that in the same weight of small ones and large ones you would get more meat out of the same weight of small lobsters. Following up that principle what would be gained by the packer in taking the small ones? I suppose the reason he takes them, is because he is getting the same amount of meat out of that quantity or weight, or more; and as a matter of fact by observation I notice that the packer when he hires his men and girls in the factory cannot employ them all the day, he has not always enough lobsters—although sometimes he will get a better catch; he will get those people at 50 cents a day packing lobsters, and the

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catch might be more or less, but it would not interfere with the wage—that is the way they do in our district, if only two hours of work the hands get 50 cents and if ten hours they earn the same?—A. That is the way on the coast.

Q. With those conditions I do not see any reason for their not accepting the small ones?—A. Yes, but if those packers took the six-inch lobster how long would the fishing last.

Q. That is another question—that is what we are all trying to figure out.

*By Mr. Turgeon:*

Q. You think in your district you should look to the canner and not the fisherman to enforce the regulations?—A. Yes, sir.

*By Mr. Kyte:*

Q. Talking about the meat of small and large lobsters, how does the quality compare?—A. The quality of large lobsters is far better eating and better meat.

*By Mr. Turgeon:*

Q. You think that a can of lobsters filled with six or seven-inch ones cannot be as nice looking or as savoury or palatable as a can filled with nine or ten-inch lobsters?—A. No, there is a difference in it.

*By Mr. McKenzie:*

Q. Then there is not only the destruction to the lobster in packing the small ones but also the inferiority of quality you get?—A. Yes, sir.

*By Mr. Turgeon:*

Q. You think that in all fairness the department should be imperative in limiting the size?—A. Yes, sir.

Q. What further protection could you have to enforce a size limit?—A. I think with another man with me I could do it—of course two would be better.

Q. And go on every day?—A. Yes, sir.

*By the Chairman:*

Q. What has been puzzling me is that you go two or three times a week, and you say there are one-third of the lobsters taken under size, yet you haven't caught anybody during this season?—A. Yes, that is so.

Q. What is the matter?—A. You can tell by the meat that they are small lobsters, but you cannot tell the size exactly.

Q. Cannot you go to the place where they boil them and see them?—A. Some places it is hard to go with a horse and you would have to travel many miles, and you may happen to go there and they are outside fishing.

*By Mr. Turgeon:*

Q. If you were to enforce the law strictly speaking would it close the cannery—A. No, sir, the canneries would not close, but they would not pack so many, but still by closing the small lobster catch they will increase in traps and in fishing ground, and of course they would go along about the same.

Q. And you think they would bring the same number of lobsters?—A. Yes, sir.

*By Mr. Kyte.*

Q. Are the fishermen permitted to boil their lobsters in coves and bring them to the factories?—A. Yes, sir.

Q. Is there any legal authority for that?—A. Yes, sir, that regulation was in existence before my term there.

Q. Regulations promoted by whom—it is just permitted by the officers?—A. Oh, no.

Q. By the department?—A. The department does not mention it except that they are not allowed to boil on board a boat but it does not mention about the shore.

Q. You are issuing licenses to factories?—A. Yes, but it does not mention that they have to boil the lobsters there or somewhere else.

*By Mr. Turgeon:*

Q. It appears to me that that is evading the law entirely. If the law existing now states that it was only in the canneries the lobsters could be boiled, that is evading the law?—A. That would be a great inconvenience for the fishermen.

*By Mr. Kyte:*

Q. I suppose they are advised that boiling is not packing?—A. Exactly, it is not packing.

Q. And you can boil lobsters without a license?—A. Yes, whenever you like. The law says you cannot boil on board a boat or vessel without a license, without a permit from the department, but it is not mentioned whether on the shore or not or what place on the shore.

Q. Does not the license state where the lobster factory is?—A. Yes, sir, it gives the location.

*By the Chairman:*

Mr. Howe will you kindly read the regulations?

The Clerk (reads):

‘No one shall for canning purposes, offer for sale, barter, supply or purchase any fragments of lobsters, purposely mutilated or broken up, or any broken lobster meat, and all fragments of lobsters, lobsters purposely mutilated or broken up or broken lobster meat, or offered for sale, so bartered, supplied or purchased shall be liable to seizure and confiscation, unless possessed for the purpose of domestic consumption only, and not for canning, the proof whereof shall devolve on the owner or possessor; nor for canning purposes shall any lobster or lobsters be boiled or partially prepared elsewhere than in the cannery licensed for that purpose.’

*By Mr. Kyte:*

Q. All this is a gross violation of the law then?—A. Remember, that these fishermen fish under the name of the packers.

*By Mr. Turgeon:*

Q. It is the packers who hire them to fish?—A. Yes, sir.

*By the Chairman:*

Q. Why do you not fine the cannery for not preparing the lobsters in the cannery?—A. So he does.

Q. He does not—it shows here, ‘nor for canning purposes can any lobster or lobsters be boiled or partially prepared elsewhere than in the cannery licensed for that purpose—’, The cannery is not the shore?—A. Yes, it has been carried on that way ever since I’ve been there.

*By Mr. Turgeon:*

Q. You have been interpreting it that way?—A. Yes, sir.

Q. Do you consider that the fishing of seed lobsters should be allowed to be carried on at all?—A. No, sir.



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*By Mr. Kyte:*

Q. Is there any live lobster trade in your district?—A. No, sir.

Q. No live lobsters shipped to Montreal, St. John or the United States?—A. No, sir, they are all boiled lobsters.

Q. Is there ever any demand to ship live lobsters from your district?—A. Not that I am aware of.

*By Mr. McKenzie:*

Q. Are you familiar with the conditions under which they trade in live lobsters, that is what has been done to carry on the trade of selling live lobsters?—A. I think it would be a very profitable business.

Q. Is there any reason why it could not be carried on in your district as well as in other places of the province?—A. None, except they have not got the large lobsters that they have in some other places.

Q. There is a size limit operating against you in Boston?—A. Yes, sir, I believe so.

Q. It is only a lobster of a certain size that can be sold in Boston?—A. Yes, sir.

Q. There is no such regulations in Montreal or any Canadian city?—No, sir.

Q. So the size limit within our own regulations could be sold in the Canadian cities?—A. Yes, sir, but I suppose under our size limit the small lobster would not bring such a good price as the big one.

Q. It is said that the shipping of live lobsters is more profitable to the fishermen than the canning business?—A. I think so, because it is less expensive.

Q. Then it would be in the interest of the fishermen to encourage the live lobster trade?—A. Yes, sir.

Q. Do you think it would be a good thing if the department would look after those lobsters?—A. Yes, it would be a great help to the lobster business.

Q. You say your district extends how many miles?—A. Forty-five miles.

Q. And only seven canneries?—A. Yes, sir.

Q. A long distance from each other?—A. Yes.

Q. The department could grant more licenses in that district without injury to those there now?—A. Certainly, there is plenty of room.

*By the Chairman:*

Q. Would it mean the destruction of more lobsters?—A. Certainly it would increase the number of fishermen.

Q. And result in the taking of more lobsters?—A. Certainly.

*By Mr. Kyte:*

Q. Is that very extensively fished? Although the canneries are stopped part of the time as you say—is the whole territory fished?—A. Yes, sir.

Q. Those men set their traps all along that coast and carry their fish to the canneries?—A. Yes, sir.

Q. With more canneries I suppose you mean that it would be more thoroughly fished than now?—A. Yes, sir.

*By Mr. Turgeon:*

Q. Should the traps be set at low water or deep water?—A. It makes no difference as long as the water is deep enough.

Q. But you think there should be some regulation preventing the fishermen setting their traps in water under a certain depth?—A. I think so.

Q. You think that near the shore, where there is only a couple of fathoms of water, they should not be allowed to set their traps?—A. According to my knowledge two fathoms of water is rather shallow.

*By Mr. Kyte:*

Q. Have you noticed whether the berried lobster is found in shore or outside, or it is just as liable to be found in deep as in shallow water?—A. I believe it is more liable to be found in shallow water.

Q. So that to prevent fishing in shallow water would be some protection to the berried lobster?—Certainly.

Q. Is that not a reason why the fisherman should not be allowed to set traps within a certain distance of the shore?—A. Certainly, that would protect the seed lobster.

Q. You say that when carrying berries or seed in that way the female lobsters spawn near the shore?—A. Yes, sir, they come to the shoal waters to spawn, where the water is warm.

Q. And to protect a certain area around the shore would be a protection to the seed lobster for spawning purposes?—A. Yes, sir, that is my belief.

Q. You think that is a sound theory?—A. Yes, sir.

Q. And you think it could be carried out?—A. Yes, I believe it could without trouble.

Q. That is if you catch them as you said before—you could see them in this case?—A. Yes.

*By Mr. McKenzie:*

Q. You said before that the fishermen knocked the berries off the lobsters—how do they do that?—A. Very easily, with just a couple of strokes with the hand they come off or knock them on the gunwale of the boat.

Q. Could you tell afterwards that that lobster had been carrying berries?—A. I could not. I suppose an experienced man that has been practising could, but I think it is very hard to detect.

*By the Chairman:*

Q. Have you anything to recommend to us from your experience, any changes to recommend?—A. The only one is not to crack lobsters where they boil them.

Q. That is prohibited already?—A. Yes, sir.

Q. Then the thing is to see that the regulation is enforced?—A. Yes, sir, that is it—otherwise I do not see that it is any benefit.

*By Mr. Turgeon:*

Q. What effect would it have on the operators if the size limit is put in force to-day?—A. As I said they would have to put out more traps, use more ground and have more expense certainly—more men.

Q. Do you think they could not carry on their business?—A. Oh I don't think that.

Q. Do you think they could?—A. Oh, yes, just the same.

Q. With the same number of traps?—A. No, not with the same number—

Q. They would have to increase the number of traps?—A. Yes, sir.

*By Mr. Kyte:*

Q. In view of what you said a moment ago with respect to the better quality of meat in the larger lobster as compared with the meat of the smaller lobster, do not you think that the canner could make up to some extent in price what he would lose in quantity if he would confine himself to the higher grade of lobsters in his packing?—A. I believe he would.

Q. He would have a better article and could command a higher price?—A. Yes, sir.

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*By Mr. Turgeon:*

Q. So you think what he would lose by the enforcement of the regulation he would make it up by the quality of the canning?—A. Yes, sir, because I heard lately that some parties bought lobsters from a factory, I would not say which—and that the lobsters were no good at all—they were black and could not be eaten and had to be thrown away. Very likely those lobsters were seed lobsters boiled when soft or else came from boilers in which there had been meat which was sour and the packer did not know it.

Q. I do not know whether you are posted enough in fish culture to answer this. Is it considered dangerous to eat salmon or trout when they are spawning?—A. Yes, sir, it is.

Q. Now, do you think that would apply to the lobster during the spawning season and on spawning ground—is the meat of the lobster effected by the fact that the female is in spawn or preparing to spawn?—A. Certainly, that meat is not eatable.

Q. And it should not be canned or packed?—A. It should not be packed or canned.

*By Mr. Turgeon:*

Q. How do you judge the difference, is it by the meat?—A. Certainly, or just the touch of the meat. When the meat is soft and like glue, when shelled it is bad.

*By the Chairman:*

Q. At what date does it begin to show that softness?—A. About the middle of June I should say, and the warmer the water gets the softer the fish gets.

Q. In some seasons the water is warmer later on?—A. Yes.

*By Mr. Kyte:*

Q. And for the safety of the people and the preservation of health there should be regulations preventing the packing of lobsters that are spawning or preparing to spawn?—A. Certainly. Yes, sir; because the packer will tell you himself the lobster is not good.

Q. But still they boil these lobsters?—A. Yes. You know it is in the trade and it goes to the market.

*By Mr. McKenzie:*

Q. We did not have the advantage of having very many fishermen before this committee—from the standpoint of the fisherman, is there anything that you would suggest to this committee that would better the conditions of the lobster fisherman in the prosecution of his calling or trade?—A. No, sir, I haven't anything particular, only as I said I think what I have suggested would be sufficient as far as my knowledge goes.

Q. I was not here at the commencement of your examination—did you say the length of the season was satisfactory—that is the time of opening and closing?—A. The opening is rather early in the spring—you see on the 19th of April there is no fishing.

Q. You say you open too early is that it?—A. Yes, sir.

Q. By opening later and closing about the middle of June to about the first of August and then continuing again all that month it would be better?—A. Yes, sir.

Witness discharged.

Mr. ONÉSIPHORE TURGEON, M.P., Gloucester, N.B., called, sworn and examined:

About the introduction of the live lobster trade I might state that in Mr. Canty's district it has not been introduced at all yet, owing to the lack of railway facilities. The fishermen there have to send their fish first by the Caraquet railway, some 10 to 40 miles, which connects with the Intercolonial and this takes an extra day or more

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for that distance. But recently in Mr. Doucet's district, another overseer in the district of Petit Rocher, they have better facilities, the railway station being only half a mile from the shore, and a few men who made some shipments last year and the year before to Quebec and Montreal did fairly well. I understand they are going to try and carry on trade this summer. Now they have a breakwater and wharf built, whereas before there was no protection against the high wind; so that with the protection in the way of harbour facilities I believe that with encouragement we could open a very good fresh live lobster trade with Quebec and Montreal. Lobsters caught during the day or evening could be brought to shore and marketed in Quebec at half past twelve next day, or 7 o'clock next evening in Montreal, and I think if the fish merchants of Quebec and Montreal were made aware of the facilities which are now in existence for such short shipments, we could develop a very good trade with them, for fresh lobsters could be carried to Quebec, Montreal or Toronto, and they could be shipped to the latter city within thirty or thirty-four hours. I would suggest that the committee make a recommendation in that direction.

*By the Chairman:*

Q. What is the difference in the price when you sell them alive?—A. I understand they can command any price in Quebec or Montreal as compared with the almost nominal price they obtain at home.

Q. Which means a large increase?—A. Yes a large increase.

Q. You do not know the figures?—A. I would not like to venture giving the figures.

Q. Do the fishermen work on their own account at Petit Rocher, or on wages?—

A. There are two or three who have a small number of traps and carry on the fresh lobster trade with the neighbouring town of Bathurst, and also occasionally with Quebec and Montreal.

Q. What size of lobsters are acceptable in the Montreal market?—A. I think 9 inches would be acceptable—very acceptable, I think,

Witness discharged.

Committee adjourned.



## APPENDIX No. 3

COMMITTEE ROOM No. 32,

HOUSE OF COMMONS,

THURSDAY, April 22, 1909.

The Select Standing Committee on Marine and Fisheries met at 11 o'clock a.m., the Chairman, Mr. Sinclair, presiding.

Mr. J. J. HUGHES, of Souris, P.E.I., called, sworn and examined.

*By Mr. Warburton:*

Q. I understand you have been engaged in the lobster industry for some years?—  
A. Yes.

Q. How long have you been so engaged?—A. Directly, I think, about 4 years.

Q. The lobster industry is carried on extensively in the neighbourhood of where you live, I think?—A. Yes, very extensively, and for many years I have taken an interest in the industry, seeking to get information from both canners and fishermen. While I was agent of the bank, it was my duty to get all the information possible in regard to the industries of the province.

Q. For how many years, roughly speaking, have you had an acquaintance with the industry from a commercial or other standpoint?—A. About 25 years I would say.

Q. Can you give me an idea as to whether the lobsters are increasing or decreasing in size and in number in Prince Edward Island?—A. Well, my information is to the effect that some 10 or 12 years ago, perhaps 15 years ago, they were decreasing in size and number, but during the last 4 or 5 years, and particularly during the last 2 or 3 years, they have increased in quantity and there has been no decrease in size, particularly on the north side of Prince Edward Island. That is the information I have.

Q. Well, you more particularly refer, I suppose, to the eastern end of Prince Edward Island?—A. Yes, the eastern end.

Q. What is your opinion, Mr. Hughes, as to the size limit? It is 8 inches, I think now?—A. Yes.

Q. What is your opinion as to the size limit? Is it observed?—A. It is not observed, and it cannot be observed.

Q. What would be the effect if a strict enforcement were insisted upon?—A. Everybody is agreed upon that. It would mean the closing of the factories.

Q. What is your opinion as to the size limit? Should there be any size limit or should the size limit be reduced in your opinion?—A. I don't think a size limit is practicable.

Q. You have told us that the size of lobsters has increased during the last 3 or 4 years and also the numbers?—A. Well, I would not say so much as regards the size but certainly as regards the numbers. I do not think the size has decreased, at all events during the last 3 or 4 years.

Q. How has the catch been in that part of Prince Edward Island, has it been good?—A. Yes, good.

Q. Some questions have come up here, Mr. Hughes, as to the license system that now prevails. I would like to hear your opinion upon that matter?—A. Well, it is unsatisfactory to a number of people. Those who have not got a license, a number of fishermen, think it is a great hardship.

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Q. What is your opinion as to the effect that the license system has upon the lobster business, is it good or bad?—A. In what way? I hardly understand the question.

Q. I mean does the fact that licenses are granted tend to preserve the fishery or otherwise?—A. No, I do not think the present licensing system would tend to help the fishery in any way for this reason: that it is not the canneries that catch the lobsters, it is the traps that catch them, and there is no restriction upon the number of traps that can be put in the water.

*By Mr. Daniel:*

Q. It is the canneries that buy the lobsters?—A. It is the canneries that buy the lobsters, but the traps that catch them; the lobsters are caught in traps.

*By Mr. Warburton:*

Q. I infer from that statement that the same number of traps would be put out with licenses as without? Is it possible to have a greater number of traps out if the licenses are done away with?—A. There might be some increase but I do not think a very great amount.

Q. There would not be a very large increase?—A. Generally speaking I would not say there would be a large increase but there would be some in some cases. The former licensing system permitted a man who had a license say for one or two factories, to establish as many subsidiary factories as he wished, or what are locally called boiling places. He was allowed to put out as many traps as he wished and it appeared to me that while the intention of the regulations, so I am informed, was to perpetuate the industry and to curtail to some extent the number of lobsters caught, it could not possibly have that effect.

Q. And as a matter of fact it did not have that effect?—A. I do not think so.

*By the Chairman:*

Q. These boiling places are illegal now are they not?—A. Yes, so I understand, but the reason why the system was so unpopular, with a number of fishermen at all events, was that the man who had a license appeared to be able to extend his privileges as much as he wished while the man who had none could not get a look-in at all.

Q. It was really meant to cover a number of places?—A. Yes.

*By Hon. Mr. Brodeur:*

Q. That system is no longer in force now?—A. That system of having boiling places is no more in operation but there is no restriction upon the number of traps that can be put in the water and by using gasoline launches or boats propelled by gasoline, the area could be enlarged, and a greater number of traps placed in the water.

Q. What effect has the license system, which would confine the business to a limited number of people, had upon the quality of the output?—A. I do not think it has had any effect at all.

Q. What I mean is this: When the industry is in the hands of a few men would the quality of the product be better than when it is in the hands of a great many, when every man who applies for a license can get one?—A. If the industry is in the hands of a few men those men necessarily have to employ help to catch the lobsters and put them up.

Q. But would they put up a better quality of product than the smaller packer?—A. I do not think it is reasonable that a man will do more, or better work for an employer than he will do for himself.

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Q. That is right, but it was stated in evidence here some time ago that owing to the industry being placed in the hands of fewer men they devoted more attention to it and had better equipped factories with the result that their output was improved?—A. I do not think that is correct.

Q. That is the point I wanted to find out?—A. As a matter of fact I know some small canneries and so far as my knowledge and information goes they get as good a price for their lobsters as the larger canneries; in fact I do not know of any bad lobsters being put up by smaller canneries. I have heard of some poor lobsters being put up by the large canneries.

*By Hon. Mr. Brodeur:*

Q. Before the restriction of licenses took place were there not a large number of places where lobsters were canned? was not canning carried on even in kitchens and other places?—A. That was a good many years ago, I think. Possibly there might be some who did that but I do not think it went that far; I never heard of that. It takes some capital and skill to put up lobsters and the large buyers that buy from the canneries will not purchase the lobsters unless they are of good quality, merchantable lobsters. These buyers examine them all before they buy them and the men who put up poor lobsters could not sell them.

Q. What amount of capital would you consider necessary to start a cannery?—A. I would not put it beyond the reach of four or five fishermen, that number of fishermen combining together.

Q. What I meant was the amount of capital necessary for the establishment of a cannery.

Mr. Warburton.—How much does a cannery cost?

Q. Could we restrict the licenses by taking into consideration the capital invested in a cannery?—A. What do you mean by cannery? Is it the building or the whole plant?

Q. The building and the plant?—A. I would say \$1,200.

Q. Would you be of opinion that any man who could put up a cannery and install a plant for \$1,200 should get a license?—A. I would say about that amount. I do not think it should be put beyond the reach of four or five fishermen to unite and establish a cannery of their own. If you put the amount higher than that you would probably make it beyond their reach.

*By Mr. Warburton:*

Q. That point came up in the course of this investigation a little while ago in connection with the testimony of one of the witnesses. The gentleman in question pointed out that you have not only to build your cannery but have to install proper apparatus for handling the product. For instance, they sometimes use tables of glass or zinc and by using these appliances it conduces to cleanliness?—A. I think every man will try to save money and get appliances as cheaply as he can that will do the work.

Q. The season in the eastern end of Prince Edward Island at present is from the 29th May to the—?—A. No, from the 26th April.

Q. I mean from the 26th April to the 10th July?—A. Yes.

Q. What is your opinion as to the length of the season?—A. I think the length of the season is about all right, but if I might be allowed to remark, if it is thought necessary for the preservation of the industry I would shorten the season but according to the experience of the last four or five years I do not think it is necessary to do so. That is the suggestion I would make if it is found necessary in order to preserve the industry.

Q. That is you would take off the July end?—A. Take off the July end or begin on May 1 instead of April 26.



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Q. We have had a good deal of evidence about berried lobsters. What is the proportion of berried lobsters that are taken in your end of Prince Edward Island?—  
A. In the first part of the season, of course, there are not so many as when the season advances. I suppose about 4 per cent would be the average.

Q. That would be the average all through?—A. Yes.

Q. The bulk of them would be taken during the last three or four weeks?—A. In the latter part of June and the early part of July.

Q. You think that about 4 per cent would be the average for the whole season?—  
A. That is my opinion.

Q. That would bring the catch of berried lobsters during the July end of the season up to a pretty high percentage?—A. I do not think any higher than 5 per cent or thereabouts.

Q. You think that the present season is all right so far as you know?—A. I think the present season is about right.

*By Hon. Mr. Brodeur:*

Q. You know that the season has been changed a little?—A. Yes, a few days have been taken off the beginning.

Q. And you are speaking of the season as it now exists?—A. As it is now, from the 26th April.

*By Mr. Warburton:*

Q. I have been requested to ask you as to the labelling system which has not been touched by any previous witness. What is your opinion as to the system of labelling that prevails?—A. Labelling the cases?

Q. Yes?—A. For what purpose?

Q. There are two ways of labelling. The cases, if I understand rightly, must be labelled with the stamp of the department?—A. Yes, before the cases are allowed to be shipped.

Q. Sometimes an officer goes around and labels the cases himself and sometimes he hands the labels or the stamps to the packer. Does that system work satisfactorily?—A. It will work satisfactorily I think for anybody who wishes to engage in poaching. I think it might be described as an aid to poaching.

Q. In what way Mr. Hughes?—A. In this way: Supposing a canner has 150 cases of lobsters ready for shipment and he invites the inspector or the overseer to come and label the cases and he comes and labels the 150. If that man intends to pack lobsters caught out of season he empties 50 of these cases and he puts the contents into other cases that have not been labelled and then puts the 50 labelled cases into the top story or basement of his warehouse, or some place, and leaves them there until the fishing season is over and he gets lobsters that have been caught out of season. Then he puts these lobsters into the cases that have been labelled and put away and there is nothing in the world to prevent him from shipping them.

*By Mr. Kyte:*

Q. How is he going to ship those 50 cases to which lobster meat has been transferred unlawfully?—A. When he packs the next hundred he informs the inspector that he has another 150 ready for shipment and the officer goes and labels them.

*By Mr. Warburton:*

Q. How does he get rid of them after he takes them out of the place where they have been stored?—A. In that way.



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*By the Chairman:*

Q. As a matter of fact he only has 100 cases of lawfully packed lobsters the next time?—A. Only a hundred cases when he asks for the second time for the label to be placed on 150 cases. I am giving you these figures to illustrate my meaning.

*By Mr. Kyte:*

Q. But they must be filled before they are labelled?—A. Certainly, the inspector sees that the cases are full.

Mr. WARBURTON.—What the witness says, if I understand him aright is this: When the packer gets 150 full cases labelled he surreptitiously empties 50 of them?—A. Say 50 of them.

Q. You use that number as an illustration. Then he places the lobsters into other cases and places the cases which have been emptied away for use in the illegal season?—A. Yes, that is it.

Mr. CROSBY.—He just supplies the cases.

Mr. WARBURTON.—Just supplies the cases.

Q. What I want to get at is this: How can he dispose of the 50 cases which have no label on them?—A. He has 150 cases to start with.

Q. Yes?—A. He gets them labelled and he empties 50 of them. Then he ships 100 only and when he gets another hundred cases of lobsters he informs the inspector that he has another 150 ready for labelling.

Q. I see how it is worked?—A. And then the inspector goes and labels them.

*By the Chairman:*

Q. What is your cure for that state of affairs?—A. I would abolish the labelling system until the end of the season. I would allow the packer to ship without labelling and at the end of the fishing season let the inspectors go around to the factories or warehouses and label all lobsters that are not then shipped and label no more.

*By Hon. Mr. Brodeur:*

Q. Is this illegal practice carried on on a very large scale?—A. No, I do not think so.

Q. It is a fraud?—A. It is an aid to illegal fishing. Some years ago it was done on a much larger scale than it is now. Some years ago there was no check upon the number of labels that was issued.

*By Mr. Warburton:*

Q. I think it is different now?—A. At the time I speak of the warehouse man could get as many labels as he wanted.

Q. I understand a check is kept now?—A. I do not know that it is kept very accurately.

Q. Have you any idea as to the destruction of lobsters by fish? The department is establishing hatcheries in various parts of the maritime provinces, including Prince Edward Island, have you any idea of the nature of the destruction of young lobsters by fish that prey upon them? What varieties of fish do that?—A. I know the codfish preys heavily upon them and upon the spawn. Other fish may do so too but I know the codfish take the lobsters when they are of medium size in great numbers.

Q. And probably other fish also do the same?—A. They prey upon the small and the medium sized lobsters. It is not an unusual thing to find four or five lobsters in the stomach of a codfish.

Q. Is there any other matter you would like to bring before the committee?—A. No, not that I know of.

*By Mr. Fraser:*

Q. Beginning where Mr. Warburton left off. You said it was not an unusual thing to find four or five lobsters in the stomach of a codfish?—A. Yes.

Q. Are you speaking from experience?—A. I am speaking from information obtained from dozens of fishermen, men who have been engaged in the business.

Q. You are speaking from information obtained from others?—A. Yes.

Q. You do not know that of your own knowledge?—A. No.

Q. You do not know what size these lobsters would be?—A. Of medium size.

Q. What would you recommend as an improvement on the present regulations?—

A. In regard to licensing?

Q. In regard to granting licenses for the fishing and canning of lobsters?—A. I think that every man or every group of men that can show the department that they are prepared to put up lobsters properly ought to get a license to do so. I do not think it is fair to confine the license to any number of individuals. I think that in particular young fishermen who by experience know all about the canning business and who want to go into the industry for themselves, I think it is a great injustice and great hardship to prevent these men from engaging in the enterprise.

Q. Would you say that they would have to give the department some evidence of fitness?—A. That might be one of the conditions.

Q. They would have to show the department that they were able to fish and pack lobsters?—A. Well there might be some regulation cannery or they might have to comply with certain conditions as to the quality of the lobsters, something of that kind.

Q. Would that not necessitate the appointment of an inspector of canned goods?—A. No, I do not think so. I think that would only necessitate the overseers seeing that the factories were kept in proper condition.

Q. Seeing that the packing houses were kept in proper condition?—A. That they were kept clean and in proper condition because the purchaser is the best inspector of the quality of the goods.

Q. Then it is your opinion that a license should be granted to every applicant?—A. I think so. I do not know that I would go quite so far as that, but I certainly think there should be very few restrictions placed upon them. The fact of the matter is, I do not know that the privilege would be applied for in a great many cases but while the fishermen knew that some people can get licenses while others cannot they think they have a grievance at all events.

Q. You are speaking from experience, I suppose, in this matter, that is that you have had applications made to you to obtain licenses?—A. Yes.

Q. Numerous applications?—A. Numerous applications. The fishermen complain all the time of that regulation.

*By Hon. Mr. Brodeur:*

The department now grants licenses to a certain number of fishermen on the co-operative plan. What has been the feeling among the fishermen as to that?—A. That may perhaps allay their feelings to some extent but whatever system is adopted, I think it should be the same for every person.

Q. Under the new plan it is the same for every person except that we require a certain number of fishermen to co-operate?—A. But there are some people who have a license in individual cases and in another case you require a certain number of people to join together before they can get a license.

Q. As you are aware formerly only those who had licenses could get them renewed but since last year we have adopted a new system under which we are granting licenses on the co-operative plan. Since the inception of that system do you think the fishermen have had any reason to complain?—A. I think the number perhaps is too large.

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*By Mr. Fraser:*

Q. Have you received many applications to render help in getting licenses during the last 4 or 5 years in your county?—A. I know I have received a good many; how many I could not say.

Q. Do you know how many licenses have been granted in Kings county, Prince Edward Island, during the last 5 years?—A. No, I could not say offhand.

Q. Do you know of any one that has received a new license during the last 5 years?—A. I think that during the last year or two some men have received licenses. During the last 4 or 5 years, I think, some licenses have been granted.

Q. Did those to whom these licenses were granted come in under the new regulations requiring 20 bona fide fishermen to make application or were the licenses granted under the old regulations?—A. Since the new regulations were established, I suppose they came in under them. Before the new regulations were established they would come in under the old.

Q. Is it possible in Kings county, do you think, for fishermen to get a license unless they come in under the new regulations requiring 20 bona fide fishermen to combine together in an application, do you think it is possible for an individual to get a license?—A. The department will be best able to answer that.

Hon. Mr. BRODEUR.—I do not think that has been done. Have any been issued in that way, Mr. Venning?

Mr. VENNING.—No, sir.

Mr. FRASER.—Henceforth the department will only grant new licenses to these clubs?

Hon. Mr. BRODEUR.—Yes.

Mr. FRASER.—That is the point I want to bring out.

Hon. Mr. BRODEUR.—I thought perhaps you had information that we had granted such licenses?

Mr. FRASER.—No, I want to bring the fact out before the committee that it is not the intention of the department to grant a new license to any single individual, but only to these clubs consisting of about twenty fishermen.

Hon. Mr. BRODEUR.—Yes.

*By Mr. Fraser:*

Q. How long have you been in the fishing business, Mr. Hughes?—A. I think four years directly interested.

Q. Do you sell your lobsters in Canada or in the old country?—A. In this country.

Q. Did you ever do anything in the live lobster business?—A. No.

Q. Have you ever looked into that business to any extent?—A. No.

Q. Do you think any trade can be done in the live lobster business?—A. In Prince Edward Island?

Q. Yes?—A. I do not know. My impression up to this time was that it could not pay, but perhaps I have been wrong and that better facilities, perhaps, would enable shipments to be made.

Q. I was just going to ask you what would be the obstacle to the shipment of live lobsters to Quebec, Montreal or Ottawa as far as you are able to judge now?—A. I suppose the delay in shipping.

Q. The delay in shipping?—A. Yes, and the transportation would be the chief trouble. I do not know what the demand would be.

Q. You do not know anything about the demand I suppose because you are not in the business? Have you any idea of the market for live lobsters in Montreal or any other place in Canada?—A. No.



Q. You have never sold any in Kings county?—A. No.

Q. Your evidence as to the size limit is that it would be injurious to the industry and kill it to enforce the size limit?—A. That is it.

Q. What other recommendation have you?—A. If you will permit me I would say that I do not think a size limit is necessary in order to preserve the industry.

Q. The opening of the season, as you know, has been shortened. Would you be in favour of taking off any number of days at the other end, say in July?—A. I would if it were found necessary to perpetuate the industry but if not I would leave the time as it is.

Q. Do you know anything about berried lobsters, that is spawn bearing lobsters?—A. Yes.

Q. At what period of the season do they come into spawn?—A. I think some of them come in May, but they, come in larger numbers in June and I think in still larger numbers in July and August.

Q. I think you are right in that according to the other evidence which has been given?—A. I think so.

Q. The destruction of these berried lobsters means more or less injury to the industry. You would naturally think that would you not?—A. Yes.

Q. Then do you not think it would be better to cut off the last ten days of July from the present season so as to preserve the berried lobster to some extent?—A. My information, derived from the fishermen themselves, is to this effect: that the fishermen themselves will form unions to preserve the berried lobsters, that they are impressed with the importance of the industry, and particularly if there is no restriction, but that every man who has a right to do so has a right to engage in the industry, that it is not preserved for a few individuals, but for the whole people, then it will not be difficult to get the fishermen to form unions and preserve the berried lobsters for their own advantage. While that has not been done in the past, I think it is possible to have it done in the future at all events. The fishermen have a certain sense of honour amongst themselves—perhaps not in all cases, but to a very large extent—and if it is explained to them that this regulation is entirely in their own interest it can be carried out.

Q. I do not think that reasoning would be sound. If you leave it to the honour of the fishermen altogether, while a great many of them might act honourably a certain class would not observe the law. The same thing as you suggest might be done in the case of any other regulation, and then what do you think the result would be? Do you not think it would be better to adopt a regulation fixing a close season, to begin on the 1st July, then you would have all the fishermen placed on the same footing?—A. If necessary, I would make the close season begin on the 1st July, that is, if necessary to perpetuate the industry.

Q. In order to preserve the berried lobsters, do you not think it would be necessary to close the season a little earlier, especially as the factories during the ten days in July do not, as a general rule, do very much business?—A. It is just the opposite to that. The last days of the fishing season very often give the best fishing.

Q. In some parts of the island that is not the case; on the south side of the island the fishing is not the best then?—A. No, but on the north shores of the island the best fishing is very often in July—Sometimes, at all events.

Q. I think one witness recommended that the season should close on the south side on the 1st July, and on the north side on the 10th July as it is now, what do you think of that?—A. I think that would be all right, I think it would be reasonable.

Q. Are there any other general recommendations that you could make to the department, for instance, as to providing better transportation facilities or anything of that kind?—A. I have not thought of that.



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Q. You have shipped fresh fish?—A. Yes.

Q. How did you come out on that?—A. We did not come out very well. That was in the winter season.

Q. Can you tell us the cause of your loss on that shipment?—A. There was great delay in getting our fish into the Montreal and Toronto markets, very great delay.

Q. Would you not recommend the department to provide better transportation facilities?—A. We could not exactly locate where the trouble arose, whether it was on the Intercolonial or the Grand Trunk, but at all events it happened that way once when the weather was very cold, and our fish arrived in good condition. The consignees would not pay the freight, and would not take delivery of the fish at all unless we guaranteed the shipment. They would not pay for them until they found them to be all right. I am speaking from memory now entirely.

Q. Do you not think we could have as good a lobster trade between Souris and Boston or Montreal as between Halifax and those places if we had the same transportation facilities?—A. The same transportation facilities as what?

Q. As Halifax?—A. I do not think we could ever get as good transportation facilities as they have there because they can put their fish right on board the cold storage car at the terminal point and that car goes right through to its destination, I understand, while we have to ship them first by steamer and then get them on to the car. There is that much disadvantage.

Q. Do you not think it would be a great benefit if we could put our fish in a cold storage car on the wharf at Souris?—A. Yes, of course, it would be an advantage.

Q. You think that would be a great advantage?—A. Yes, that would be some advantage.

Q. We would be on an equal footing if we had the same transportation facilities, would we?—A. Yes, I think so, as far as I can see at present.

*By Mr. Crosby:*

Q. Are you in favour of the present method of dealing with licenses?—A. No, I think it is unfair to the man that is on the outside.

Q. What do you mean by the man on the outside?—A. The man who has no license.

Q. You mean the fisherman?—A. Yes, the fisherman.

Q. That is the man?—A. Yes, that is the man.

Q. And your impression is that if we allowed the fishermen to get together in union or to combine themselves more in their own interests and the interest of the lobster industry and give them more opportunity of protecting themselves in a sense, that would be a good method?—A. If you can remove from their minds the idea that they are discriminated against.

Q. Exactly. Make them feel——?—A. Yes, make them feel——

Q. That the industry was theirs?—A. Was theirs.

Q. If they were allowed to do that and were educated by frequent visits from a department expert as to the possibility of the extinction of the lobster if they did not take proper precautions, if they were fully informed as to the habits of the lobster and how it could be preserved, you think in their own interest they would adopt the necessary precautions?—A. I think it would have a good effect.

Q. You do not think it is a fair and reasonable thing to refuse any fisherman who fishes lobsters the right to can, themselves?—A. I do not think it is fair to refuse the privilege of canning the lobsters to the fishermen if they are fishermen who know that they can put them up properly and who feel that they have a right to any profit that is in the industry.

Q. Exactly. Your opinion is that it is not fair to refuse a license to a bona fide lobster fisherman to put up his own lobsters?—A. I do not think it is fair.

Q. In fact you said a moment ago that to allow the fishermen to put up lobsters is the best guarantee that it would be properly done?—A. It is the best guarantee possible.

*By Hon. Mr. Brodeur:*

Q. Do you mean to say, Mr. Hughes, that any man who wants to can lobsters should be allowed to do so regardless of whether or not he has the proper building and a proper plant for that purpose, is that your idea?—A. No, that is a very extreme view to take.

*By Mr. Crosby:*

Q. Would any fisherman undertake to put up lobsters unless he had the necessary plant. He would want to put them up as good as possible in order to make them marketable, would he not?—A. A man must put up a reasonable quantity before the business can be made profitable. The fisherman knows that he must put up a few hundred cases before it is possible to make any money out of the business. The fishermen understand that as well as anybody else.

Q. How many licenses are there in Prince Edward Island now?—A. I could not say from memory.

Q. How many licenses would there be in your own county?—A. I do not know. The department would know that, I did not take the trouble to look it up.

Q. What I want to get at is whether there are more licenses now than there were before the new regulations went into effect, or whether there were just as many but in the hands of fewer people? What I mean is that a man might want a license to can in three or four different places.—A. No, he did not can in three or four different places but he partially prepared lobsters in three or four different places and then the product could be transported a greater distance without injuring the meat.

Q. That is practically the same thing. I understood you to say that the industry would not suffer if the size limit was not put higher. What is the size limit in Prince Edward Island, 8 inches?—A. Eight inches? There is no size limit at all.

Q. No limit at all?—A. Practically no limit.

Q. Do you think there should be a limit?—A. I do not think it is practicable to make a limit and go on with the business.

Q. Did I understand you to say that we have no limit practically, because there is a limit in force?—A. The limit has not been observed.

Q. There is no limit in force?—A. Yes.

Q. And you think there should be no limit?—A. Yes, I do. I do not think there is any use making regulations and not carrying them out.

Q. That is a different thing. I understand you to say that the limit is not observed and not enforced?—A. And it cannot be enforced without closing up all the factories. That is my opinion at all events.

Q. You think that the enforcement of the 8-inch size limit would practically close up all the factories?—A. I firmly believe that.

Q. You also believe that without a size limit the fishery will go on equally as well as it does to-day?—A. I do.

Q. Have you read the evidence given here by Prof. Prince?—A. I read some of it.

Q. I think it was Prof. Prince who stated that not more than one lobster in a hundred spawns at 7 inches in size. At 8 inches in size according to him, there are not more than 40 per cent that spawn?—A. Of the female lobster.

Q. Would you think it would be a good thing to allow lobsters to reach 8 inches in size so that they may spawn and so assist the preservation of the industry?—A. For some reason or other enough lobsters survive to keep up the supply and perhaps the hatcheries are assisting that result.

Q. You think that enough lobsters escape the fishermen to keep up the supply?—A. Yes, and escape their natural enemy.

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Q. At any rate your view is that it would not be any detriment to the lobster industry if we had no size limit at all?—A. No, because, as a matter of fact, the industry appears to be improving although we have no size limit observed. I am speaking now for that portion of Prince Edward Island with which I am acquainted, that is the eastern portion.

Q. I could not get from you the information about the number of licenses—A. Mr. Venning will give you that in a moment, I think.

Q. At any rate your opinion is, as a man who has been in the business for a number of years, that the lobster industry would be as safely guarded by issuing licenses to pack their own lobsters to the fishermen who apply for them as it is under the present condition?—A. I do and I think that bona fide young fishermen who are anxious to engage in the business, who have perhaps saved a little money out of their own earnings, should be allowed to go into it, that it is a great injustice, and a great hardship to refuse them a license. I know that some young fishermen have left the province, and some perhaps have left Canada by reason of being refused that privilege and they perhaps feel the hardship more. If they knew the privilege was there for them they might not want it.

Q. That is if they knew they were not debarred?—A. Exactly. That appears to be human nature.

Q. And you think that under that condition the lobster industry would be as well preserved as it is now?—A. I think so and if necessary to preserve the industry shorten the season. You do not preserve the industry by discriminating between different individuals.

Q. Individuals who should have a license?—A. Who should have a license and yet do not have it.

Q. Do you know many of the men who hold licenses at the present time in your vicinity?—A. Yes, I know them personally.

Q. What class of men are they, are they merchants?—A. Largely merchants.

Q. You do not know of any fishermen who are catching and packing their own lobsters do you?—A. Not many. That is where the fishermen feel a grievance. They see other men who have other means of making a living making a profit of it. Perhaps the profit is not as great as they imagine but at all events they think it is large.

Q. Have you come across many men that you would grant a license to on their own application if you had the power to do so?—A. Yes, I have come across some.

Q. That you consider worthy men to receive a license?—A. I think the practical fisherman, the men who have been engaged in the industry for some years and possess ordinary intelligence, are capable of doing the work as well as it can be done and doing it even better than hired men.

Q. That is the information I wanted to get?—A. The merchants and other people engaged in the business that have to employ help must depend upon the intelligence and faithfulness of these men to do the work right.

Q. And you think that the bringing of fishermen closer together and the sending of competent lecturers to address them on the methods of propagating the lobster and the habits of the lobster would be of advantage to the industry?—A. Yes, to have a good practical man going among the fishermen but he ought to be a practical man.

Q. A practical man as well as a man of theory?—A. Yes.

Q. Then that is your opinion, that the bona fide lobster fisherman who applies for a license should be granted one and that if the licenses were issued in that way the industry would be protected as safely and as carefully as it is under the present regulations?—A. Practically so, yes.

*By Mr. Daniel:*

Q. Your testimony varies in some respects from what we have formerly heard, that is you have given us to understand that the fact of the size limit not being observed in Prince Edward Island has no deleterious effects on the fishery?—A. I would not say that it had no deleterious effect.



Q. Well explain your views on that matter?—A. What I said was that the fisheries were not injured during the last seven or eight years, and particularly during the past two or three years instead of the quantity and size decreasing an actual increase took place.

Q. The lobsters are larger are they?—A. They are not any smaller and they have increased in number.

Q. You said that there is no size limit observed?—A. No size limit observed at all, there is no doubt about that.

Q. Have you any fishery overseers on the island?—A. Yes.

Q. What do they do?—A. I suppose they look after the business for which they have been appointed, but it is well understood by everybody that there is no size limit observed.

Q. Did you ever have an overseer at your factory?—A. Yes, he may have come when I was not present.

Q. You know that your factory takes all lobsters from anything up to nine inches?—A. I would not say from anything.

Q. But practically so without any limit?—A. I do not think there would be any as small as four inches caught, possibly there would be some down to five or six inches.

Q. Have you ever been reported for packing lobsters under size?—A. I do not think so. I never heard a word about it. Everybody does the same.

Q. Do you know any one on the island that has been reported?—A. Not within late years.

Q. Then as a matter of fact these overseers do not do anything at all?—A. Not in regard to that particular point.

Q. What other duties do they perform?—A. The department would be better able to answer that. I do not know what their duties are.

Q. Have you ever read the report of the Lobster Commission of 1905, I think, of which Colonel Tucker was chairman?—A. No, I never read that.

Q. You are not familiar with the recommendations they made?—A. No.

Q. Do you think that if the size limit was observed, the industry would be improved or not?—A. I suppose if the size limit was observed it would mean the closing of the factories.

Q. Why?—A. Because you would not get enough large lobsters, eight inches and over, to make it worth while for any man to keep the factory open—I mean around Prince Edward Island. I suppose they will grow larger and increase in numbers under those conditions.

Q. You think that the observance of the size limit would close up the business entirely?—A. I feel sure of that.

Q. You have not read the report that I referred to?—A. No.

*By Mr. Kyte:*

Q. It requires some considerable capital does it not to engage in the lobster canning business successfully, that is to be able to withstand the unfavourable markets that canners meet sometimes?—A. I do not think it would require very large capital.

Q. Was the market last year for canned lobsters a pretty good one?—A. Excellent.

Q. Do you know whether the pack on the island last year was marketed that year?—A. The whole of them?

Q. Yes?—A. No, they were not all marketed.

Q. Why?—A. Because some of the canners did not sell in time and the price dropped and then they held on to their lobsters, I suppose, thinking the market might improve.



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Q. Speaking of these fishermen engaging in the lobster canning business, one result, of course, would be to put the large canneries out of business?—A. No, I do not think so.

Q. You think it would not affect the large canners at all?—A. How would it put the large canners out of business for small canners to engage in it?

Q. If the fishermen are going to can their own lobsters, who is to fish for the other canners?—A. To begin with, I do not think all the fishermen would do that, and if they did—

Q. The point I want to get at is the danger that these small factories might meet an unfavourable market, which would result in getting them involved financially, so as to prevent them continuing the business. I want to know whether that is the case or not?—A. I do not know that it is part of the functions of the government or of the Department of Marine and Fisheries to see that everybody was protected in the industry that he was engaged in.

Q. I am trying to figure out what the result may be ultimately, that is all. With regard to berried lobsters, there is no attempt made to enforce the regulations there any more than in the case of the size limit, is there?—A. Is it against the regulations to catch the berried lobsters?

Q. Yes?—A. Well, it is so easily evaded. The fishermen can brush the berries off with his hand or swish the lobsters through the water. If the spawning period is pretty far advanced the berries will come off so easily that I think it is impossible to enforce that regulation.

Q. What do you think of the idea of wiping the regulation out absolutely and shortening the season when the lobsters have the greatest number of berries on them?—A. I would shorten the season if it were necessary to preserve the industry.

Q. You think that would result in saving the berried lobsters?—A. I think that arrangements could be made with the fishermen themselves to largely save the berried lobsters.

*By Hon. Mr. Brodeur:*

Q. How many men does it require to run a lobster factory?—A. It depends upon the size of the factory.

Q. You said a few moments ago that a good-sized factory would cost \$1,200 to establish?—A. I did not say a good-sized factory; I would say that would be a factory of small size.

Q. How many men would such a factory require?—A. Say four or five boats, and two men to each boat. Then there would be—

Q. The men in the factory itself?—A. Three or four men or boys in the factory, and two or three girls.

*By the Chairman:*

Q. Would four or five boats keep a factory busy?—A. It depends upon the size of the factory.

Q. I mean a factory of the size that you are talking about?—A. Yes.

*By Hon. Mr. Brodeur:*

Q. Four or five boats?—A. Yes.

*By Mr. Daniel:*

Q. How many traps would that mean?—A. About 200 or 250 traps to a boat, it depends upon the locality. In some places you would require 300 or 250 traps. In other places 200 traps would be quite sufficient for a boat.

*By Hon. Mr. Brodeur:*

Q. Let us figure that out. There would be ten men in the boats?—A. Eight or ten men in the boats. Four boats will make a nice little factory.

Q. And three or four men in the factory?—A. Yes.

Q. And besides that two or three girls in the factory you say?—A. Yes.

Q. That means sixteen people. Do you think the department is very extravagant in requiring fifteen fishermen to co-operate together?—A. Well you have not half that many, you have only eight in the case I mention.

Q. There would be eight fishermen and also the persons in the cannery which would make fifteen people?—A. But some of those are girls.

Q. But outside of the girls there are fourteen?—A. Well perhaps twelve and then the boys. There may be some boys there. Boys are very useful in a factory for doing certain work and they are cheaper than men, boys and girls.

*By Mr. Crosby:*

Q. As a matter of fact if a bona fide fisherman such as I was speaking of undertook to establish a factory, would he have any difficulty in getting a merchant to advance all the supplies he wanted?—A. He would require to have accommodation. I suppose the men would get somebody who would give it to him.

Q. Would the really bona fide fishermen such as you spoke of, to whom you would issue a license if you had the power, experience any difficulty in getting a merchant to help him, if he needed help to obtain the gear he required in order to catch all the lobsters he wanted to?—A. If he was a reliable man who understood his business and if the merchant or capitalist considered there was room for another factory there. In other words if he was likely to succeed, he would have no difficulty in raising the necessary capital.

Q. Then he would have no difficulty in obtaining that help?—A. In all probability he would have no great difficulty in raising the necessary capital.

Q. If there was no probability of his succeeding he would not be a merchant?—A. I think the fisherman, practically, will succeed where the merchant will not.

Q. You stated that some lobsters were held over in the island, that the packers did not market all their lobsters?—A. Yes.

Q. Had those lobsters been in the hands of fishermen they would have been all marketed?—A. Exactly. Because the small cannery would not be able, perhaps, to hold their catch.

Q. There is no difficulty in selling good canned lobsters at any time during the season at good prices?—A. There has been no difficulty during the last eight or ten years that I know of.

Q. And the putting up of lobsters by the fishermen would not interfere with the industry in any shape or form except a particular cannery that could not get enough lobsters put up; but the fishermen themselves would cover that. Have you read the evidence given by Prof. Prince with regard to the amount of meat furnished by lobsters of different sizes? For instance he said that an 8-inch lobster would furnish one-third more meat than a lobster of 7 inches. As a practical man what do you say about that?—A. I would be inclined to doubt that.

Q. It seems a lot of difference?—A. The smaller lobsters have the greater quantity of meat. The shell is lighter and thinner. A hundred pounds of lobsters 6 or 7 inches long will give you more meat than a hundred pounds of lobsters 8 inches long.

*By Mr. McKenzie:*

Q. Of inferior quality?—A. No, sir, of better quality perhaps, not of inferior quality. The best meat is found in the medium sized lobster.

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*By Mr. Crosby:*

Q. It would be a very strong reason in the interest of the industry as well as of the fishermen for having an 8-inch size limit if lobsters of that size produce so much more meat than lobsters of 7 inches?—A. I would like to test that.

Q. You say as a practical man that is not the case?—A. I would not say that is not the case.

Q. I would rather you did not perhaps because he has made that statement?—A. Well, if he made a test that is different.

*By Mr. Warburton:*

Q. Have you any knowledge of the fact that the hatcheries increase the supply of lobsters?—A. Increase the supply of lobsters?

Q. Yes?—A. It is generally known that the hatcheries have helped to increase the lobsters because they have increased there is no doubt about that.

Q. There are two lobster hatcheries which would affect your part of Prince Edward Island, one on Pictou Island and one at Charlottetown?—A. The fishermen on the Murray Harbour side, at Cape Bear, say that around there the lobsters have increased in number, so I am informed, and they think the factory at Pictou Island has helped them.

Q. Just across the Straits?—A. Just across the Straits.

Q. We had some evidence the other day as to the value of pounds for breeding lobsters and I brought up the question of salt water ponds. You have in Kings county a number of ponds or inlets where you get salt water. Are your lobsters caught in these ponds?—A. Where?

Q. For instance, there is North Lake, East Lake and Priest Pond?—A. No, I do not think so. I never heard of their being caught there.

Q. Would they be suitable breeding grounds for lobsters?—A. I do not think so, the water is too fresh.

Q. Too fresh?—A. I would think so. South Lake I imagine would be a good place for them.

Q. There are some ponds that I imagine would make good breeding grounds for lobsters?—A. Are you acquainted with South Lake?

Q. I have been there?—A. Well, the tide rises and falls in that, and I think it would be a very suitable place.

*By Mr. McKenzie:*

Q. The effect of your evidence I think is that licenses could be dispensed with altogether?—A. Well, I would not go so far as to say that. There might be some conditions laid down but I would not put the conditions beyond a few fishermen combining together, four or five fishermen and being allowed to put up their own plant. Whatever the conditions might be I certainly would not put it beyond that.

Q. Does the fact that a man is licensed compel him to be more careful in the quality of the lobsters that he puts up than if he had no license at all?—A. I do not think it because if he intends to sell the lobsters he must put them up suitably.

Q. Then a man who has no license violates the law if he does pack lobsters?—A. Or violates the regulations.

Q. That is the only difference?—A. Yes.

Q. You say that every man who applies for a license should get it. Then why not put lobsters on the same footing as salmon or any other fish in the sea?—A. Well, I would prefer that to the present regulations. There might perhaps be some restrictions made as to the size of his cannery or something of that kind.

Q. I think that the purpose of licensing was to safeguard the trade so to speak or limit the catch?—A. It was so stated, that that was the object of the license.



Q. And the moment the necessity for limiting the catch would disappear, as you say it has now in Prince Edward Island, there is no purpose in restricting the number of people who can engage in the business is there?—A. I wish to report that the regulations appear to me to be very peculiar in that they restrict the number of canneries but that there is no restriction on the number of traps.

Q. In other words, as I understand you, lobster fishing should be like any other business; if a man thinks he can go into it with safety to himself he should be given a chance to do so?—A. Yes.

Q. And let him take his head for it like any other business?—A. Yes, like any other business.

*By Mr. Jameson:*

Q. What district of Prince Edward Island are you able to speak of authoritatively?—A. I am able to speak of the eastern end of Prince Edward Island.

Q. What proportion of the catch of lobsters there, is below the seed bearing size in your opinion?—A. What do you call the seed bearing size, about 8 inches?

Mr. DANIEL.—Nine inches.

The WITNESS.—Nine inches.

*By Mr. Jameson:*

Q. Well, opinions differ a little on that but running from 8 to 9 inches?—A. I would say fully 50 or 60 per cent. it depends upon the locality. In some localities the lobster are a little larger than in others but I think it would be along there somewhere. I did not consider that point but I think that about one-half of the lobsters would be fully 8 or 9 inches.

*By Mr. Fraser:*

Q. As to the labelling, what is the practice followed by yourself and the cannery in the other sections?—A. When we are ready to ship we inform the overseer and he comes and labels the cases.

Q. Do you think there is very much fishing after the season in your part of the country?—A. I think there is very little if any at all; I have heard that there was a little illegal fishing, but that was in some other places.

Q. Have you heard who does the illegal fishing?—A. No.

Q. It is mostly in Prince county, have you heard that?—A. I saw that statement.

Mr. KYTE.—Mr. Loggie is present and would like to ask a few questions if the committee does not object.

*By Mr. Loggie:*

Q. How many pounds to the hundred do your lobsters weigh on the average, that is really the test as to the size of the lobsters caught?—A. I have never seen the test made, but I would say that it would be perhaps about forty pounds, but I might be mistaken in that.

Q. If your lobsters run small in size you are not very far astray. But if you work that out on the same basis of 40 pounds for 100 fish how many pounds of green lobsters does it take to pack a 48 pound case?—A. I would say about four or five pounds of green lobsters are required to make one pound of meat, and it is a matter of calculation as to how many would be required to make 48 one pound cans.

Q. Well, if it takes four or five pounds of green lobsters for a one pound can you will be using about 10 lobsters to each can?—A. Well, between eight and ten I would say.



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Q. And Professor Prince tells us that it will take nine seven-inch lobsters to make a can, I think that is what he says, then practically all the lobsters caught are about the average of seven inches.

Mr. MACLEAN.—It was Mr. Baker said that.

*By Mr. Loggie:*

Q. About spawning lobsters, I understand from your evidence that no care is taken to save the berried lobsters, and that they are pretty much canned the same as any other lobsters?—A. I think so.

Q. Could not that be avoided in this way—supposing the overseer of the department is instructed to visit the canneries every morning, or every day, and when the lobsters are broken, the shells are there and he could very easily see if the spawn is on the lobster shell; and if there is a heavy penalty for taking the berried lobsters would not the fishermen be then compelled to throw them overboard instead of bringing them ashore?—A. That is if the spawn is not washed off.

Q. Well, a man might wash it off in one case, but there may be twenty cases where it would not be washed off?—A. But would he not do it in every case if he was in fear of the inspector at the factory.

Q. Could not the overseer tell whether the lobster has been washed off or not?—A. I do not know, I would not like to say offhand, but I think it would be difficult to tell.

Q. I fancy it would be difficult after they were boiled.—A. And particularly if the berries were very ripe when they were washed off.

Q. As a matter of fact they do not at present fear any penalty and they do not wash them off?—A. Perhaps not.

Q. That is as far as your experience goes?—A. I think they do in some cases.

Q. If the overseers really exerted themselves and spent their time in going around looking after this could they not stop that?—A. They would want a great many more overseers than they have already if they attempted that. My opinion is that the fishermen themselves will do that, if you get their confidence, I may be wrong in that, but I have spoken to so many of them about it and they all tell me they are willing to do so.

Q. I think it is as you say.—A. They will form a union it is only a small percentage of them that are doing this any way, and for the sake of their own business they are willing to form a union and agree to put the lobsters back in the water, and there is honour among these fishermen, there is not one of them that would like to be found out after making an agreement between themselves, to put the berried lobsters back in the water; I think they may be trusted to carry it out.

Q. Following along the same lines do you not think the packers should join together and do something?—A. I think so, I think they would agree not to buy the berried lobsters provided the fishermen form a union of that kind and agree among themselves to put the berried lobsters back in the sea and not to bring them to the canneries. Of course if the canner knew that the other canneries would not buy them then he would be in a position to refuse to buy them if the fishermen brought them.

*By Hon. Mr. Brodeur:*

Q. Would he not be in a position to-day to refuse those lobsters?—A. I think he would, but if the man in the next cannery took them he would not be in the same position.

*By Mr. Loggie:*

Q. Would it not be a more likely thing for the canners to get together and lead the way for the fishermen, instead of the fishermen having to lead the way for the can-

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ners? If the canners got together and said: 'We will not take spawn lobsters from anybody under any conditions, and we will inform the overseer if we know of anybody else taking them'?—A. It would do no harm if the packers did that, and there would be no harm also in getting the fishermen together on the same lines.

Q. I know that in a great many districts the fishermen are hired and it does not make as much difference to them.

*By Hon. Mr. Brodeur:*

Q. We cannot reach the fishermen but we can reach the packers?—A. I know in the districts I have spoken of that the fishermen say they are ready to form a union, and they only want some one to direct them.

*By Mr. Loggie:*

Q. I agree with what Mr. Hughes says that if a packer knows that some other packer nearby is taking the berried lobsters he thinks it is all right for him to do so. If they agreed among themselves and if they kept the agreement it would be all right.

*By Hon. Mr. Brodeur:*

Q. The department could have the law observed?—A. I think the tendency among the fishermen is to do everything that they deem reasonable and practicable to preserve the industry.

*By Mr. Loggie:*

Q. That certainly should be the tendency. I heard you say in your evidence that with an increase in the factories you did not think the industry would decrease. Now let me give you a case in point, and ask you how this would work out. The territory where you fish, I fancy, is fairly well covered with traps, is it not?—A. Yes, sir.

Q. How many boats do you fish at your factory?—A. Four boats.

Q. And you say the territory is fairly well covered with traps?—A. Yes.

Q. Supposing somebody else came along and 200 yards away from you put up a factory with four more boats and eight men fishing out on that same ground, what will be the effect of that at the end of the season?—A. I do not think anybody would do that because he knows—

Q. I do not ask you that, that is not the point. I want to know what would be the effect of it? The effect would be this, would it not, that there would be quite as much expense; supposing your factory, for example was barely getting out, you have a certain capital cost for those four boats and plant, and the territory is covered with traps, and somebody comes in and puts out four more crews and fishes during the season, and the year before you came out about right, but this year you only get about one half your pack of lobsters, what would be the effect?—A. You can bring up these extreme conditions, but I do not think conditions of that kind would arise.

Q. Is it not a matter of fact if it did happen, if somebody did do it; it is not a usual thing for a man to plant a factory near another now, but it was in former years?—A. It is an unusual thing now.

Witness discharged.

Committee adjourned.

## APPENDIX No. 3

COMMITTEE ROOM, No. 32,  
HOUSE OF COMMONS,  
FRIDAY, April 23, 1909.

The Select Standing Committee on Marine and Fisheries met at 11 o'clock a.m., the Chairman, Mr. Sinclair, presiding.

Mr. MACLEAN (Lanenburg).—I would like to explain before proceeding to the taking of evidence, that we met here last Tuesday to hear Mr. Nickerson and probably that was owing to my representations to you, Mr. Chairman, because having seen that gentleman at Halifax last week I told him that if he were here on that day the committee would be glad to hear him. I, of course, expected he would be here on Tuesday, but Mr. Nickerson showed me a telegram from the clerk of the committee to the effect that he would be required to be present yesterday. That accounts for Mr. Nickerson's non-appearance on Tuesday last and I thought it due to him to make that explanation.

Mr. M. H. NICKERSON, M.P.P. called, sworn and examined.

The CHAIRMAN.—Will you examine Mr. Nickerson, Mr. Maclean?

Hon. Mr. BRODEUR.—Perhaps Mr. Nickerson would prefer to make a statement?

Mr. NICKERSON.—Not at this stage. I think the information you seek could be best elicited by a series of answers to questions. I may ask leave to make a statement later on, if it is found necessary or desirable.

Mr. JAMESON.—Before we enter upon the examination of this witness, I would like to ask whether this will be the last meeting of the committee during the present session or whether there will be any further meetings. My reason for asking the question is that I have on three previous occasions moved that certain witnesses from Digby county be summoned because there has not yet been any witness who has spoken authoritatively on the subject of the lobster fishery of St. Mary's Bay and the Bay of Fundy, and because on the Commission which investigated the lobster question in 1898 there was no representative from that particular district. As there are very special circumstances and conditions affecting the lobster fishery in the district referred to, I think it would be well to have evidence from there. I do not know what the custom has been with regard to the summoning of these witnesses. I am acting in good faith and I have no doubt the committee will afford me the privilege of having witnesses here because their evidence, in my opinion, will be necessary and will be helpful. As a matter of fact if any change were made in the regulations as the result of any action, suggestion or recommendation of this committee, it would only be right and proper it seems to me that every fishing district interested should be represented and heard. I would, therefore, ask whether there will be any future meeting of this committee during the present session, and if not whether the matter will be left open until another session of Parliament when I might have the privilege of summoning witnesses from the district mentioned.

The CHAIRMAN.—That, of course, is a matter which is altogether in the hands of the committee. I think it would be very well to consider it. We have had a great number of meetings and heard a good many witnesses. Certainly there are parts of the coast that we have not yet heard from. A large number of names have been sent in, many more than we will be able to possibly reach during the meetings that we could have in the present session, but my own idea is that it would be better to report our evidence to the House and consult our friends during the recess, and possibly make arrangements for taking further evidence, and not make any definite recommendation until we meet next session. I would like very well to have the



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views of the committee, if you think there is a large enough meeting this morning, so that we could have an understanding.

Mr. JAMESON.—That is my opinion and I would like also to say that I do not think it would be well advised to make any recommendations hastily. Furthermore I think it is only right that the different localities interested should be heard. There have been a great many witnesses from the east. There have been four from Prince Edward Island alone, two of them at least practically covering the same territory and it seems to me only fair and right that each member of the committee who has witnesses that he believes can give evidence which has a direct bearing on the case and which will be of value to the committee, should have the opportunity of having them summoned. The minister was good enough to say to me when I moved for witnesses on a previous occasion, that those witnesses would be summoned and I would like to have the assurance, in case the committee closes its proceedings for the present session at this meeting, that on a future occasion I shall have the privilege referred to.

Hon. Mr. BRODEUR.—I think that before we make a report to the House, even in regard to the evidence already taken, there should be a meeting of the committee to discuss between ourselves what should be done in connection with the work in which we have been so far engaged and as to what action should be taken in the future. I would like the committee to consider whether we should not obtain permission for a sub-committee of this committee to sit during the recess. I do not know whether such a thing would be practicable or not but that is a question that we might discuss after Mr. Nickerson's examination is completed and find out whether it would be advisable to have such a sub-committee composed of members from the Maritime Provinces who would be willing to continue the investigation down there during the recess. That is a matter that we might discuss.

Mr. BRADBURY.—The investigation might be conducted in the Maritime Provinces?

Hon. Mr. BRODEUR.—Yes. I do not want to discuss the matter at this stage; it is simply a suggestion I throw out. We might discuss all the different features. I understand that the district which Mr. Jameson represents has not been heard from and it should have a hearing before we close our proceedings.

Mr. JAMESON.—With that understanding I am satisfied and I thank the minister very much for his statement.

Mr. FRASER.—I think there should be some method of choosing witnesses who are to be examined by the committee. We have had witnesses who came at considerable expense and threw very little light on the situation. Witnesses have come here and given evidence that has not helped very much and I think, as the minister suggests, that some method should be adopted in summoning the parties whose evidence is desired. As the minister said at a earlier stage of these proceedings, the members from the different provinces should get together and choose those witnesses whom they think will give the best evidence.

Mr. WARBURTON.—There would be no use in summoning witnesses here if they were all of one opinion, we want to get men of different opinions in order that we may be able to arrive at a proper conclusion.

*By Mr. Maclean:*

.Q Mr. Nickerson, I believe you are a resident of Shelburne county, Nova Scotia?  
—A. Yes.

Q. You have always been interested in the lobster business?—A. Yes.

Q. I mean both as a student and in the practical working of it?—A. I was about six years in the employ of the Portland Packing Company who conducted some very large canning operations in Nova Scotia.

Q. That has been your practical experience?—A. Yes.



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Q. And the particular place in which you live is a section engaged in the lobster business?—A. Yes.

Q. And the lobster fishery is an industry which has always been under your observation one way or the other?—A. Exactly.

Q. You were on the Lobster Commission, I suppose that is the proper term for that Commission?

Hon. Mr. BRODEUR.—You mean the Commission of 1898?

Mr. MACLEAN.—Yes.

Hon. Mr. BRODEUR.—That is the proper term for that commission.

*By Mr. Maclean:*

Q. The evidence given before that Commission was reported in 1899?—A. Yes.

Q. In order to start you on this inquiry, Mr. Nickerson, I might mention that there were four or five debatable points in connection with the lobster fisheries upon which the witnesses appearing before the committee during the recent sittings have given evidence, and speaking generally these were: The season, the size limit, the protection of the seed lobster, the value of hatcheries, and the matter of issuing canning licenses. I think in a general way this includes about the scope of our inquiries so far?—A. These are all considered very important points by those who are engaged in the industry either as fishermen, as canners or as shippers.

Q. What have you to do with the Fishermen's Union, are you a member of that union now?—A. I am only an honorary member. I introduced the Bill which led to the Act providing for the incorporation of these small associations, each one of them independent of the other, but holding a general council once a year.

Q. Now, Mr. Nickerson, you live in the western district of Nova Scotia—

Hon. Mr. BRODEUR.—While you are on that subject, Mr. Maclean will you be kind enough to ask Mr. Nickerson to give us, not in detail but in concise form, a statement of the objects which this Fishermen's Union has in view?—A. The object, as set forth in the Act is to—

Mr. MCKENZIE.—In what year was the Act passed?—A. In 1905. It is in the Nova Scotia Statutes of 1905. The object of the union is to collect and disseminate information by means of regular meetings of these stations, as they are called, information bearing upon every improvement in connection with the industry, that is the most improved and effective methods of conducting it, the best way of packing lobsters for export alive, which is quite a fine art in some places, all information concerning markets for the live export and some incidentals of that nature; also I think it is stated as one of the objects in the Act that there shall be an effort made right along to put the government or rather the department dealing with this particular industry, in possession of all facts that it seems necessary or desirable should be known from time to time. That was one of the objects in the incorporation of this association.

*By the Chairman:*

Q. How many members are connected with the union in Nova Scotia?—A. Each locality has an association called a 'station,' and they are numbered in the order of their organization, without respect to the locality.

Q. What is the number of stations?—A. I think they number forty now.

Q. And with a membership of?—A. The membership varies from fifty to 150 in the different stations.

*By Hon. Mr. Brodeur:*

Q. Is there any central organization?—A. There is only this annual conference. In the first place—

Q. Composed of the chairman or presidents of these different stations—A. The delegates are appointed at the district meetings—Nova Scotia is divided into three inspectoral districts, No. 1 including Cape Breton, the four counties in Cape Breton,

Q. Divided the same as it is for the federal?—A. Yes.—Well now, we take advantage of that for greater clearness in administering the affairs of the union and in holding meetings that is to say, there is one annual meeting for the district; that annual meeting will be attended by delegates elected by each of the stations situated within that district. Take No. 3 district, for instance. There might be five stations organized and in operation in that district, and each of these five would be entitled to appoint and send to the district annual meeting two delegates, and the same rule was followed with regard to the yearly convention which always takes place in Halifax. But the delegates to the central convention were appointed at the district annual meetings, so that from the meetings and discussions of the individual stations up to the central convention in Halifax they become aware of just what the views and opinions of each of our different sections or stations that sends delegates may be upon any subject.

Q. When you speak of the fishing industry, the live industry, you do not mean to say that this Fishermen's Union simply deals with the lobster fishery, they are engaged in considering the whole fishing industry, are they not?—A. That is quite true, they consider the whole fishing industry, but as the lobster fishery is among them one of the most important, they devote considerable time in discussing the different aspects of that question.

*By Mr. Maclean:*

Q. What is the lobster season in Western Nova Scotia?—A. From December 15 to May 31.

*By Mr. McKenzie:*

Q. While you are on the subject of the association, are the proceedings of that annual meeting published in blue-book form or are they reported to the department?—A. They have annually published the report in the Halifax papers; it is the practice usually to report from day to day, and the meeting as a rule occupies about three days, they just give the press a condensed report and then at the close, the whole of the transactions are reported by the secretary and, in a sort of condensed form, from their own minutes and proceedings which are filed by the secretary of the annual convention.

Q. I simply thought that if we could get the benefit of their reports of the proceedings at the annual meeting it would be of assistance to the department and to this committee?—A. I think I can furnish you with a copy covering a great part of the proceedings last year. I could not do it just now but I could produce that information to-morrow if it were necessary.

*By Mr. Fraser:*

Q. Are these institutions alive and in good condition still?—A. Some of them are not quite so militant as others.

Q. Do the fishermen find them satisfactory?—A. Yes, they have been productive of good in a very marked degree but that depends upon the locality in a great measure.

Q. Is any fee paid by the members of these organizations?—A. Yes. By their Act of incorporation each station has the power to make certain by-laws and one of the by-laws refer to a fee, but this fee is fixed at a rate which varies at the different stations. This is done to meet requirements. If they have to pay a very high rent for a hall they have to make the yearly fee accordingly.

Q. Have these organizations made any recommendations of any kind to the department?—A. Yes, frequently. I may say, Mr. Chairman, that a deputation of them appeared at one time before the Tariff Commission which conducted an investigation a few years ago and made a presentment of their case with reference to the tariff on rope. That was one occasion. I have attended, I think, every one of the annual conventions. If I recollect aright they have always made a sort of summarized report bearing on the most important subjects discussed and submitted a copy of it

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to the department if they wished any action to be taken upon it. That has been the custom hitherto.

*By Mr. Maclean (Lunenburg):*

Q. What is the season in the district in which you live?—A. From the 15th December to the last of May.

Q. And that season includes the county of Hants?—A. That includes the seven counties west of Halifax.

Q. That includes Hants and Lunenburg?—A. The boundary line is west of Hants county.

Q. The season begins on December 15, is that right?—A. That is right and extends to the last day of May making five and a half months in all.

Q. What is your judgment as to the length of the season in that district, as to whether it is too long or too short?—A. There seems to be a general agreement that the duration of the season is about right considering the fact that fully one month and a half, viz.: February and part of March in each year, are almost wholly unsuitable for lobster fishing owing to the rough weather. There is not much inconvenience resulting from ice on the coast, but the winds during that month are rather too high for the successful prosecution of the fisheries.

Q. I presented a petition to the Marine and Fisheries Department from certain sections of Lunenburg county asking that the season be made from March 15 to 1st June, what would you think about that?—A. That would be the entire season for the year.

Q. Yes?—A. Well the western people would consider it altogether too short.

*By Hon. Mr. Brodeur:*

Q. What do you mean when you say western people?—A. I mean Shelburne, Yarmouth and Digby

Q. And Queens county?—A. And Queens county.

*By Mr. Maclean (Lunenburg):*

Q. Would not the shortening of the season tend to eliminate, to some degree at least, certain objections or troubles in connection with this industry such as the destruction of seed lobsters and the catching of small ones?—A. The destruction of the seed lobster is an evil which is scarcely known in the portions of the province where they have access to the American markets. The fisherman understands well that if he undertakes to remove forcibly ova from a lobster, that lobster will die in transit and that she will not only be worthless when she reaches Boston, but that she may infect others in the same package. In all my connection with the lobster industry and my observation of it in these late years I cannot say that I ever knew one case come under my notice.

Q. Yes, I quite understand that but would the canner be in the same position as the shipper of live lobsters?—A. The canner gets nothing but the illegal lobsters, that is the cannery in our part of the country exist by sufferance you see.

Q. Are you serious in that statement?—A. Yes, very serious indeed.

Q. It is a very serious statement?—A. I am making the statement. The truth must be adhered to strictly and that is just what I am doing.

Q. It is a very serious charge?—A. Very serious but we are prepared to make it on all occasions and in all places.

Q. As long as it is true?—A. As long as it is true.

Q. Do you mean to tell me that the canner does not receive any legal lobsters at all?—A. Only in places where it is impossible to export—

Q. Illegal lobsters?—A. Impossible to export the large ones. I think I will have to ask permission to make this point a little clearer otherwise this brief statement might leave the subject somewhat confused in the minds of people who are not conversant



with all the circumstances. The lobster business in western Nova Scotia is, in the first place, a commercial enterprise as it is more of an industrial enterprise in the east. In order to reach the Boston markets small coasting steamers ply from place to place and collect the lobsters to be carried to the port of transshipment, which is Yarmouth. These lots are the catches of the fishermen and consigned by themselves either to commission men on Atlantic Avenue, Boston, or else sent directly to the wholesalers there. Now wherever that facility of shipment is afforded, the producer invariably takes advantage of it and sends forward his crate, or crates, as the case may be. It frequently happens that some sections although not very far off, not more than 20 or 30 miles away, are so situated geographically that they cannot forward their crates. In that case they are compelled by circumstances to sell to the factories. Now then that evil which is complained of, namely denuding the female lobsters of the ova, may take place in such cases, because the large lobster is put in with all the other sizes and goes to the cannery, and I suppose that the canner—I have acted in the capacity of receiving agent at one of these canneries myself, and I never could undertake to be responsible for the female lobsters that had been treated in that way, and I am speaking just now of the days when there was no live export trade; but in all these other cases where they had ready access to the Boston market, the fisherman has no motive, no incentive to remove the eggs, because he is not carrying his lobsters to the factory. The proprietors of the factories have a number of little steamers and gasoline launches and sail craft and they are all around there, the competition is very very sharp; I have witnessed the operations in Westmoreland county, N.B., and I never knew of any part in this province where the competition among the packers was so sharp as it is in the west, a fact which will help to explain in some degree why they are obliged to take the undersized lobsters.

*By the Chairman:*

Q. But you have not made it plain why the fishermen would not take the seed from the berried lobster and throw it in with the illegal lobsters to sell to the packer?—A. Well, you see he knows he is only going to get two or three cents for that, and the fisherman will reason that it will not be worth one quarter as much to him at the cannery as if it is sent to Boston, so he will not bother about it, he will put the lobster back in the water. It may be days and days, according to where this fisherman is located, before a smack comes around, although those boats manage to visit most of the stations quite often, and if the fisherman attempts to keep that denuded lobster long, it is liable to die, and the man who receives it at the factory would at once notice any unusual sized lobster taken there. I want to inform you that a lobster when treated that way is scarcely any good for canning purposes. I think that the practical canners who are here will bear me out in saying that it is not a very paying proposition to boil and can dead lobsters, and any female lobster is liable to be dead if the seed has been taken from her.

Q. That statement was contradicted by some other witnesses who were here. It has been stated by other witnesses that it would not kill the lobster to remove the seed?—A. Well, I could not speak with authority on the subject, since I never saw it done; but I have examined very closely into the lobster industry, and I am of the opinion that when the eggs are ready to be detached naturally they may be removed by hand without much injury to the lobsters certainly, but a short time after they have been extruded, you could not peel them off without taking off some of the filaments, and I do not know that you could do it without removing some of the swimmerets, the little legs to which the eggs are attached. It is the general opinion among fishermen that the lobster would not survive very long after the eggs have been removed from them by scraping, or by any other process.

*By Mr. Maclean:*

Q. I think every one is disposed to agree with you that in any section of the country where they ship lobsters alive you have better enforcement of the regulations than in other places?—A. Yes, that follows.



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Q. I think that is right, there is no doubt about that.—A. That seems to be the best way for the enforcement of the law, although no doubt there are some irregularities.

Q. In your judgment the canneries are an inducement to the violation of the lobster regulations?—A. I make the statement in this way. I say that such is the fact, that they do take illegal lobsters, and I suppose that your inference may be fairly drawn. That is all I can say.

Q. Could these lobster canneries carry on their business and at the same time live within the law?—A. I think not.

Q. Do you think it would be better to have them extinguished, put out of business altogether, and have the law observed?—A. I would not give too hasty a judgment upon that; it is a subject I have thought of a great deal; of course I am bound to have due regard for everybody that has anything invested in the business, the fishermen as well as the packers; if it were a choice between the extinction of the lobsters and the extinction of the canners I would not hesitate a moment.

Q. You would stand by the fisheries?—A. I would stand by the fisheries. But I would say that one phase of the subject which strikes me is that the taking of illegal lobsters involves a terrible economic loss. About three years back the Massachusetts law reduced the legal size, of the lobster from 10½ inches, which was then the regulation size, to 9 inches, our present regulation, and that change led to a very great increase in the export of our live lobsters; because we can go into the Massachusetts market with a very much smaller lobster than we could before. Now then, all the lobsters under 9 inches sell for I suppose about two cents at present.

Q. That is to the canner?—A. Yes, about two cents apiece. Now we will suppose that we have a lobster which is under 9 inches for which the fisherman would get two cents at the cannery; that lobster will measure more than 9 inches next year, and it will be worth at least seven or eight cents to him then. It always struck me as a point worth considering, apart from the question whether the lobster fishery would continue or not, that here we are cropping the field before it is ripe; we are selling these immature lobsters. We are not only cutting off any chance for them to breed, that is unless they escape us, but we are selling them before they are worth anything. We have made some very close calculations going to show that the loss from selling these immature and small-sized lobsters must be very considerable.

Q. Your statement leads to this conclusion, Mr. Nickerson, that the canning business tends towards the destruction, ultimately at all events, of the lobster industry?—A. I think that is unquestionable, in fact I may say that many canners admit it to me, many of them have admitted it; but they say. We are in the field and we are not quite willing to give it up.

*By the Chairman:*

Q. Is it profitable?—A. I do not think it is at the present time. I am frequently in conversation with these canners—they do not regard me as an enemy by any means—and that is the statement they make with regard to the condition of things connected with the industry; they also refer to the market and they invariably say that former years were better and some of them have been candid enough to say that the small lobsters which they are in the habit of canning has done them injury in the market, for the reason that while the meat may be just as good for table purposes it certainly does not look like it, when the can is opened. It is too 'scrappy.'

*By Mr. Fraser:*

Q. Which was in the field first, the cannery, or the live lobster industry?—A. The cannery..

Q. And you say that the live lobster industry is now driving the canner—A. In the west.

Q. Out of business and that it is spreading along the coast towards the east of Nova Scotia?—A. Yes, it is.

*By Mr. McKenzie:*

Q. Your observation about the canner has only reference, as I understand you, to the locality where the exportation of live lobsters prevails?—A. Yes, principally so but from the information we obtained through the meetings of the Fishermen's Union the same thing I believe holds good to a large extent through the province. I refer now to the taking of all sizes.

*By Mr. Maclean (Lunenburg):*

Q. Would that not lead us up to the next step, Mr. Nickerson, and that is this: does the catching of the illegal lobster, by that I mean the lobster under size, tend towards the destruction of that particular fishery?—A. I suppose so.

Q. I might say that you often hear the argument that it does not destroy the industry to catch lobsters of any size. Some people even claim that the undersized lobster is the one that should be taken and the lobster about 10 inches in size should be allowed to live—you hear various arguments. Give us your own views as to that?—A. I have heard that. I have had occasion to debate that question to some extent. That theory is held by Dr. Field of the Massachusetts Fisheries Commission, but I never could see that it was based on the right principle at all. I have been in correspondence with some experts on the subject who hold the same view, or profess to hold it. I asked if they would apply the same principle to the raising of poultry or sheep, if they would propose to kill off or dispose of the young before they reached the stage of reproduction and they did not seem to think it would be the proper thing. This would be the case if you were breeding any other kind of animal. I never could see why a distinction should be made in the case of lobsters. We could go, as I have done, into the details of the question and figure it out with almost mathematical certainty. We know about the number of eggs which the female lobster bears at a certain size. Then we calculate for the ova which do not come to maturity, or is destroyed by fish and from various other causes, and we find that a few of these breeders would stock a very large area. On the other hand, we recognize the fact that if we invariably took all their young and killed them off, that in a few years complete extinction would take place. There would be nothing to replenish with. That fact confronts us at once. But those who contend for the other view say, of course, 'we could not catch all the young.' It is not the fault of their system if they do not; they are after them anyhow.

Q. Then you believe, Mr. Nickerson, that it is possible to destroy the industry by catching the smaller lobsters?—A. It might be difficult in some places to extinguish it altogether—

Q. I mean generally speaking?—A. But you would get it down perhaps to a low point. Some sections of the shore are more favourable to the breeding and the feeding of lobsters than others and in these cases it takes very persistent and very energetic fishing, even during the long open season, to perceptibly diminish the catch. But I do not know that we would be justified in drawing conclusions from that because it may be a drain on other places. It is an established fact, I believe, that on any area where a number of traps are set and where bait is being continually put into the water, that they draw from quite a distance on either side, so that where there is continued fishing, where the water is thronged with traps and where the fish seem to hold out, the catches are maintained at about one uniform amount all through the open season. But that does not quite justify us in the reasoning that it is the natural supply but rather, like some other species of fish, they are coming from a distance and may be decreasing somewhere else very rapidly.

Q. Then I understand you to believe in the gospel of enforcing the size limit?—A. Yes, that is about the way to put it.

Q. You believe in that?—A. Yes.

Q. Now taking Nova Scotia as an illustration there are several districts in that province, perhaps four?—A. Three.

Q. Three districts?—A. Yes. Three large inspectorial districts. Excuse me, you refer now to the divisions made for the administration of the law?

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Q. Yes.—A. I beg your pardon. I thought you were referring to the inspectoral districts.

Q. There are four districts?—A, No, six.

Q. You were a member of the commission which recommended the division of the province into these districts?—A. Yes.

Q. Are there good reasons for the division of the province into districts which vary the size of the lobsters to be taken, as well as the season for catching them?—A. With regard to the west, there are the best of reasons. The market for which they are engaged in fishing is best in the fall. That is, taking in the latter part, if not the whole month of December and part of January. Now that is the period in which the fishing can be prosecuted with the greatest success because with us the hard winter has not set in, I mean the blowy season. That is one reason why it should begin then. About mid winter or in the month of February there is a temporary suspension, although most of the traps are left set in the winter. The work is resumed along about the middle of March and then the market is very buoyant, the weather is turning finer. About the last of May the weather becomes so warm that with the ordinary transportation we have in Yarmouth the lobsters are not liable to reach Boston in very good condition, and for these reasons, the season has been timed to begin on the 15th December and terminate at the last of May. It is a prevalent opinion now in the west that it might be advisable to take off about 15 days from the latter part of the open season, so as to give us a chance to prepare for the hook and line fisheries which come on in the latter part of May. Then there is the effect of the presence of a great number of traps thronging the coast for a distance of almost 100 miles and extending far off shore. From Yarmouth cape past Cape Sable, a distance of 40 miles, it looks like a lumber pile drifting. That is exactly what it would remind you of. These are the buoys and they say that the absence of spring mackerel from the western part of Nova Scotia for a number of years past is entirely owing to that fact. I do not know if that is correct, I only know that the two things happen in conjunction. Whether one is the cause of the other is not apparent, but it looks as though it might be. Therefore the practical fisherman, the men in the business are just now discussing whether it would not be better, not only for the lobster fishermen but for all classes to have that shortened up fifteen days. It would give the mackerel a chance to come in, and afford the fishermen an opportunity to be prepared for the hook and line, or net, fishing as the case might be. But otherwise for the last ten or twelve years that this regulation has been in force, covering that extensive territory, it has been a very popular one and remains so even at the present day. We have consulted all our stations and there are only one or two on that coast through from the east that say they think it ought to be changed a little. Otherwise they are perfectly satisfied with the law and have always been.

*By Mr. Maclean:*

Q. Do you justify the time of the open season in the other districts of Nova Scotia? Do you think they are all right?—A. As far as I am able to judge, the members of the Commission to which you have referred, namely, that of 1898, went over the evidence together and discussed all these circumstances very fully and while I have no personal knowledge of any of those districts to the east, except that portion of New Brunswick to which I referred a little while ago, from the arguments which were adduced, and from the evidence which had been taken while we were holding our meetings, I was convinced that these are about the best recommendations that could be made. One unfortunate thing, from my point of view, was that these sections were rather short, it was only a hundred miles in some cases before you came to the divisional line, and I tried to obviate that in the divisions which were supposed to be subject to my recommendaton—I do not know why it was, but I had thrown upon me the whole coast from the State of Maine boundary to Halifax Harbour and I actually made the recommendation for the whole of that coast, and so far as I know there was very little fault found with it. Afterwards some variations were made in the Bay



of Fundy, or more particularly speaking in St. Margaret's Bay, but the difference was not striking.

Q. Well then, you think the conditions justify the difference of season for the different districts?—A. Certainly; the people of Cape Breton and some other parts of the eastern shore cannot make use of the winter season on account of the ice; it is a necessity that their season should not coincide with the season in the rest of the province because we are never hampered to any extent, even in the most severe winter, with any ice on the western shore. The high winds in that quarter very greatly retard the fishing, but do not render the season useless.

Q. I want to ask a question now, it relates back a bit perhaps, you say that the cannery are canning illegal lobsters, in fact Mr. Baker admitted that?—A. Yes.

Q. He practically stated that, but the question is should the law respecting the size limit be changed so as to make canning a legal business, or should the canner go out of business?—A. I do not see how a compromise can be made, because as far as western cannery are concerned, even if the size limit should be reduced say to 7 inches their receipts would only be increased by just the number of lobsters included between 7 inches and 9 inches, which would be a very small proportion of the whole catch, and I do not see that any packers could survive on that. In fact I know they could not. They might have had a fighting chance as long as the Massachusetts size limit remained at 10½ inches, but just as soon as the limit was reduced to the same size as the regulation enforced in Nova Scotia, the natural tendency was to export all lobsters from 9 inches upwards and they did it.

Q. Then, Mr. Nickerson, in conversation with me the other day privately, at Halifax, you mentioned a point that I think ought to be brought out here. You privately stated to me that the point of division between the different districts should be at a place which is not a shipping point, because lobster men catch lobsters now at the end of one division, and go over into the other district with them, thus extending their operations beyond the proper season. I wish you would make that clear, because I thought it was a good point?—A. When the Commission of 1898 were about ready to make their recommendations, I thought we should provide if possible against one slight abuse of the law which we had noticed before, and it was this: if a divisional line came near a port of transshipment, we will say Yarmouth or Halifax, the season on the east side would end on the first of the month and on the west side it would end a month or a half a month later. You can readily see there would be a loophole and that the parties from the east side could bring their catches in, after their legal season had closed, and put them on board a smack or steamer belonging to the territory in which the season was still open and send it right in there for shipment. Now, I am going to state that this does happen.

*By the Chairman:*

Q. Where?—A. In Yarmouth. For that reason, we made that recommendation, and if reference is had to the report of that Commission, it will be found that the line dividing the eastern shore of the peninsula of Nova Scotia from the western shore was run straight out from Halifax harbour to Georges island so as to strike the Fairway buoy, and the reason was that the mouth of the harbour was very wide and we thought there would be no transgression across that line. At that time, it may be stated, these little gasoline launches and steamers were not so much in evidence as they are now, and while it was difficult to bring the fish across with a sail boat without being detected, and without a great deal of trouble, because the distance was quite great, with these small launches they have now they can make the trip quickly and they can make it in a night, so that it is quite easy to get across the line into the adjoining district. I might illustrate it by giving a case in point that I know of, and it is one case out of many. It occurred two years ago. Now the season in Yarmouth and Shelburne counties closes on the last day of May, as previously stated. Notice was given and all operations ceased; as far as could be observed the regulation was religiously kept. After that there was a report that a great shipment was coming in



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from the westward where the open season continued about half a month longer. A little investigation revealed the nature of the transaction and one of the men engaged in it told me. He said: 'I was out here on an island and I was included in the Yarmouth territory. I simply had some lobsters stored up ahead, and when our season ended on the 31st May, I ran quite a lot up to St. Mary's bay, where the open season would last for 15 days longer, and I put these lobsters aboard a sailing smack and they were sent down, and shipped as having been caught in the allowed territory.' He also said: 'More than that, while the smack was going into Yarmouth harbour she hove to,' and I think he said they took a large number of crates on there. When the boat arrived at the wharf in Yarmouth there was no way for the overseers to detect the imposition at all, they simply took these lobsters as having been caught in Digby county while in reality most of them had been sent across, after the season closed, from Yarmouth county. Now there are some pretty well authenticated reports, although personally I cannot answer for their correctness, concerning the same occurrence in Halifax harbour. Really there is not quite so much to prevent it there as in St. Mary's bay, because the distance is not so great and the temptation is very strong.

*By the Chairman:*

Q. Why has Digby county a separate season?—A. I cannot say. I can only state Mr. Chairman, that we made an unreserved recommendation and the minister at the time, Sir Louis Davies, looking over our recommendations as we handed them in spoke very highly of our work. He said he believed that any territory under one law as to size limit and season should be made as extensive as possible, but he did not like the idea of these small divisions. Now that is the recommendation we made and I think it was understood in Digby county that it would be carried out. We discovered afterwards that it was not, and that an exception was made extending from Digby Basin, or Digby Strait more properly speaking, to somewhere near the boundary line between Digby and Yarmouth county. Afterwards these people agitated in some way for a change. I was not quite so interested in keeping run of what they did up here but I was very much disappointed and somewhat grieved to see that our recommendation had not been carried out.

*By Mr. Maclean (Lunenburg):*

Q. There is a different season in Digby county is there?—A. There is in part of it.

Q. Is the season much longer than in the west?—A. Yes, it is longer.

*By the Chairman:*

Q. To the 15th June?—A. That is half a month.

*By Mr. Kyte:*

Q. Does the season open at the same time?—A. I think it opens at the same time and there is no restriction in that way but the dividing line crosses Briar island and on one side of the island fishing is legal at a certain time and on the other side it is tabooed.

Q. When does the season begin, in January?—A. I think it begins on the first of January.

The CHAIRMAN.—No, the 6th.

The WITNESS.—The 6th is it?

*By the Chairman:*

Q. Do you know any good reason why Digby county should be under a separate season?—A. I do not. I cannot see why it should be. I saw at the time some little disputation back and forth but I never followed the arguments closely enough to make myself acquainted with them.

*By Mr. McKenzie:*

Q. Is Yarmouth your only point of transportation?—A. For the west?

Q. That is to the States?—A. The only one to the States from the west.

Q. From how far do they carry the lobsters to that point?—A. That will extend from Queens county, and I think Lunenburg also, to Annapolis county including the whole county line.

Q. How are the lobsters transported?—A. By coasting steamers and by railway. Sometimes by both methods and sometimes in part. For instance a little steamer will gather up lobsters from four or five different points in Queens county and carry them to the Lockeport station and then they are sent forward by rail to Yarmouth and shipped by the Boston boat. That makes three transfers. It is an awkward and not a very satisfactory way but it is the best they have.

Q. What sized receptacle is this crate?—A. The standard crate is supposed to contain 140 pounds but the shippers have now discovered that by very careful packing lobsters can be sent forward in just as good condition, and even better, in a crate containing nearly 200 pounds thus saving that much freight on it.

Q. Who owns the crate as a rule?—A. The fishermen. With very few exceptions they ship on their own account.

Q. And does the crate come back?—A. It is supposed to. Sometimes the crates are missing. Then an outcry is raised and there is a good deal of newspaper correspondence which makes the transportation people look around. I have seen some Clark's harbour crates in Halifax and other places, having evidently gone astray. They are returned as empties I suppose, with no freight on them and they are not a very paying class of commodity. You see they pay nothing coming back, so the steamboats and railways are not very careful of them. Still they cost the fisherman a dollar a piece.

*By Mr. Maclean (Lunenburg):*

Q. The fact that Digby county has a little longer season tends, you say, to a violation of the law in the territory which is immediately contiguous to the boundary line?—A. Yes, it certainly does that. The violations are all by people that belong to the other county. Because it is a legal season with the Digby county people, the other people take advantage of it by going across the line and coming back under false pretense.

Q. Does it create dissatisfaction in the other counties, the fact of Digby county having a longer season?—A. I never heard of any pronounced dissatisfaction except from the east. The shippers from Cape Breton say: 'It is a very unfortunate thing your lobsters from the west should go into Boston about the time our season opens and we are beginning to ship. There is competition established at once and prices are apt to come down.' That was always the contention of the eastern shippers and there was some little truth in it, until the Boston dealers provided themselves with large floating cars, as they are called and preserved alive the late receipts for the fall market. That is the custom now.

Q. What are your views as to the restriction of licenses to canners, do you believe in an unrestricted issue of licenses or are you in favour of restricting them?—A. I am not in favour of such restriction, because I think the small capitalist, or the small canner, is in a position to put up just as good a pack as the larger one. In the first place, the proprietor is the manager and he is always on the spot and that is worth a great deal in my experience. Also because there is no child labour, because in several factories I have in mind now, they are canning mostly their own catches. They are acting on the co-operative system lately, and they put up lobsters which they themselves have caught. There is ample time to clean down everything and to see that the meat is packed all right. In no case do the receipts of one day lie over till the next—a thing that is apt to create mischief in packing, because if you allow the lobsters to lie after they have been cooked or steamed, even for a few

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hours, without being broken up, the meat is apt to be inferior. In the next place, the larger factories have to pay a fleet of steamers or gasoline launches, and at every fishing station they have an agent who gets about \$50 a month. There is a large sum consumed to make the business go, but in regard to some of the small packers we have men associated together and most of them supply the lobsters. They cannot afford to have a 'counter' here at this island or at that other place, but they offer the fisherman a little premium. They have this excellent plan, they say, 'we will give you twenty cents a hundred weight more than the other packers give if you will bring your lobsters to us.' This is a benefit to the fisherman and to the packer of small means as well, because he can actually save on it as he has not the heavy expense of employing help on all the islands and a crew to run his launches.

Q. Would not a license to can be an advantage? Surely the average lobster fisherman would not know how to pack lobsters?—A. In the first place, I never knew that was the object of the restriction, because if a man came along with a million dollars to fall back on he could not get a license under the present system. It was not stated that the object of the order was to secure competency in canning. But to answer your question—you can readily perceive that if things are in the condition I have attempted to describe, no fisherman wants to go into packing, while the packers are talking poverty and saying 'we can't hold out.' We know they cannot. They are getting all these small lobsters, and we know the market is not in a satisfactory state, so that I say the packers are in a precarious position. They are existing on sufferance. There is not one individual in all the western territory that would care about leaving the fishing, where he can earn from \$10 to \$15 a day in the season and undertake packing with the sword of Damocles hanging over his head all the time, but not falling, and then at the end of the season, have nothing to show for all his work. So that while there is not the least incentive for any enterprising fisherman to enter the field, the restriction on cannery licenses is regarded as a very unwarranted interference with the natural rights of the citizen, and it has been the cause of a great deal of discontent in the west, although they have never come up against the difficulty practically because they do not want to engage in canning, but I have heard many of them say—I am speaking of the fishermen—'Here I have a lot of boys, and they are good fishermen and have been employed in the canneries and have the name of being first-class men in every way—good sealers, and capable of taking charge of every part of the work. Now, if I want to go into canning, it is pretty hard that I cannot do so. I could undertake the cutting of boneless fish, my boys go out and they bring the catches to land, and we need not say anything to anybody. But we prepare and send them to Boston, where they bring two cents a pound more than the regular market price.' Now this is actually being done as regards boneless cod, by a number of fishermen in Yarmouth county, and the American Consul in a late report to his government, dwelt at length upon that feature of the industry and said he would be glad if something of the kind was done in the United States. This has been accomplished by the individual fishermen, and certainly it requires just as much care and experience to put up their lily-white boneless fish as it does to pack lobsters.

Q. You must look at it from the standpoint of the buyer and consumer who can look at the boneless fish before he buys it, but he cannot open the can of lobsters.—A. If the lobsters are not properly packed it must arise from rush of work or from want of honesty. I do not know that one class of men is any more honest than another:

'When self the wavering balance shakes  
It is rarely right adjusted,'

I should say that at the time when there was no restriction and no embargo on these licenses—

Q. There was such a time, was there?—A. There was certainly such a time, and I never heard any complaint of an inferior pack. But, Mr. Chairman, I may tell you what I do know, that some of the established canners in Nova Scotia, some of the men who have the largest amount of capital invested in it, have been in the habit in



years gone by, and not so many years at that, of hiring a few irresponsible people to go out to the Islands and boil the lobsters there, to can the lobsters in a cave—yes in the Cave of Adullam, and bring them back to the mainland and include them in the next season's pack, and that pack has gone abroad and the market is satisfied, and the foreign people eat them with relish, and do not say anything about it.

Q. That is a new thing, how far back does that go; when did that happen?—A. About eight years back or less.

Q. Is it only eight years back that there were restrictions?—A. Yes. I hope, Mr. Chairman, I am not wandering too far, but the subject you see is quite an extensive one and the temptation is to go into it too deeply, but the occasion will hardly allow of that. With respect to Mr. Maclean's question, which I am glad he asked, it dates back I think about eight years, and I recollect that when we came here, on that Commission, which has already been referred to so often, a series of questions were put before us, printed questions, and we were required to give written answers. That same matter was put in one of the questions, and if I remember correctly—of course it can easily be verified by turning up the files of the department—it said: 'Would you recommend the discontinuance of issuing lobster licenses in the interests of the established canners.' And I think my answer was the first to go down; I said: 'No, not by any means, I am not here to work for anybody's particular interest but for the good of the public and for the preservation of the lobster,' that is what I said. Not in the interests of any established canner, or of any established fisherman, but if such a regulation were necessary in order to preserve that valuable industry to our country, then I would subscribe to it readily. We debated the matter among ourselves for a little while and we came to a unanimous conclusion and all hands put down a most emphatic, 'No.' Nevertheless it took place.

*By Mr. Maclean (Lunenburg):*

Q. So you think there should be no restriction on the granting of canning licenses?—A. Yes. I was very much impressed as to that by the remarks of Mr. Hughes yesterday, suggested by some questions that were asked him. It seemed to him that when an application was made for a license to pack lobsters there should be some inquiry into the ability and the means of that person, or that concern, to perform the work. That has always been my opinion, and when I was asked 'Would you favour the granting of licenses indiscriminately,' I said 'No, that is not quite the point.' We do not want to degrade the business, but we want its benefits to extend and to be as widely distributed as possible. We want to give our young men along the sea-board a chance for industrial employment in their own country, because we know not what the future may have in store for us. I would like the Nova Scotians, I would like the people of all Canada, to remain in their own country; but if these men feel that they would like to can lobsters and are not permitted to do so, they may leave. A time may come when we shall need crews for three or four of the *Dreadnoughts* which Canada is to maintain, and these would be the boys that you would be looking for. I say that I want to keep them at home by every legitimate and lawful means, but at the same time I do not want one interest to be sacrificed and I am glad—very glad indeed—that this committee has undertaken an investigation into the lobster business in order that they may reconcile all interests. And so I say that when an applicant is a worthy and honest man, a fact which could be ascertained I think without much difficulty, when he is competent to make the business respectable, and has got the necessary amount of money and asks to be given a fair trial, nothing seems more reasonable and right than that his application should be granted. It has always been a part of my lobster creed that there should be an investigation of the packing factories, great and small, and if it were found that one man was in any manner neglecting the sanitary rules in putting up this product, or making an inferior pack, he should be judged by his works alone and treated accordingly. That to me would seem to be a rational way of dealing with the question.



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*By Hon. Mr. Brodeur:*

Q. Do you not think it would be rather difficult when a man has spent a large sum of money in building and equipping a lobster factory to stop him from continuing operations?—A. I do think so if he were a new beginner, but in the case of a canner of long standing I would say: 'You made your fortune in the days when you gave 30 cents a hundred for lobsters. Now the wheel has come full circle and the fittest must survive.' But I do not think anything like that could occur, where a man would establish a factory with a large equipment and be so careless as to the output. Nevertheless, I think that a rigid inspection of lobster factories is just as necessary as in the case of any kind of canned or prepared food. In that way you might eliminate the undesirable element in the canning industry, whether it be the canner with small means or the canner with a dozen factories. I would say: judge them all on their merits.

*By Mr. Maclean (Lunenburg):*

Q. It would be hard to make an inspection if everybody along the coast was allowed to pack?—A. I fear that I did not make the point clear enough. Everybody does not want to pack. Take Cape Breton, take other counties and they say: 'This is a real hardship. We do not want to can lobsters, but unfortunately there is no competition. There is only one canner within reach, and we deliver all our catches to his shop and he gives us starvation prices.' In fact there is talk of reducing the price again this year and if that is done the fishermen say: 'We must take our traps ashore because anything else will pay us better.' Now in anticipation of that case they say: 'If we only had a license so that we could be a little independent with that man, we might bring him to terms,' and I think so too.

Q. Have any of the Fishermen's Stations in western Nova Scotia applied for licenses?—A. Yes.

Q. Did they get them?—A. Yes, they got them.

Q. Are they putting up a good product?—A. They are. It is rather too early to judge of it, but some has been already sold. They commenced operating one factory about a month, or perhaps two months ago, and so far as can be judged the first output was very satisfactory indeed. It was always a favourite theory of mine that if you want a man to improve in anything show that you have got confidence in him. I said: 'I believe I can take that little section and make self-reliant, enterprising and industrious men of them.' Of course, they were industrious before that but they were so situated that they were obliged to sell their lobsters year after year for 8 cents, big and small. Now when you see lobsters from our locality, only 30 or 40 miles to the westward, bringing 50 cents in the Boston market, it seems too great a difference for such a little distance. Their first step towards establishing a business of their own that is, for live exports to Boston, was to secure the services of a little carrying steamer on the coast subsidized by the local government, which gathered up the lobsters directly from the fishermen at various points along the coast, and thus assisted in forwarding them to the ports of transshipment, which are Yarmouth and Halifax. The fishermen sent all their large sized lobsters there and they showed me the results the next year and instead of 8 cents it was 32 cents a lobster. One of these men, in discussing the matter with me afterwards, said: 'This does not admit of any argument. We can talk and talk and it is cheap, but when you hear the jingling in a man's pocket that is what tells the story. We have got an argument there and we know what it is doing for us.' I think that is pretty good logic. That is the logic of cold coin which after all talks most effectively. They first said, and I admire their patriotism: 'We are a Fishermen's Union, and as such we are not organized to do business, but in order to handle some part of our product to advantage and do it in legal shape, we ought to get incorporated.' They did so, and thus they have put themselves in a good position, they have taken that business-like stand. They applied for a license to pack lobsters, and that license was granted, I am very glad to say, and never in any case that came to my observation was better use made of it. They just said to the neighbouring canners 'We will treat with you as business men. We do not want to

go into it as a matter of rivalry, but merely to protect ourselves.' I think there are persons now present who can corroborate every word I say. These fishermen said: 'We do not want to disturb the existing order of things, but we want a living price for our lobsters.' For a time those established cannerymen did seem to be willing to agree to these very reasonable terms and the Union continued to sell them their smaller cull of lobsters, while exporting the large ones to Boston. But there came a season when the profits fell a little short and then they said: 'We must reduce the price.' Now for three years the secretary of that little station had been carrying a license in his pocket and now came the time for him to turn it to account. 'All right,' he said, 'now we will go on and build our little factory.' They did it, to make this story short, and they said: 'We want the services of the best sealer in the land; I said: 'That is right, pay him double wages and get him. Show that you have got the skill, the energy and the means, and that you can make just as good a pack as any one else, and what you accomplish, all the other stations of the Fishermen's Union along the coast will do also.' That business is in a very satisfactory state to-day. The men engaged in it write to me 'Our first output has just been sold and although the market is rather dull, we think we can dispose of all our lobsters at a very good figure, all that we can put up this season.' Now I can see that this principle might be indefinitely extended. Of course in some places the men would need a little more instruction and a little more guidance, but the factory in question, and some others which I could mention, have proved at least to my own mind, that even in the rank and file of fishermen those who show such intelligence, determination and self reliance, are in every way qualified to conduct a packing establishment like that.

*By Mr. Kute:*

Q. Excuse me, to get back to the subject under discussion, you made the statement a while ago that every lobster that is canned is of illegal size, and that therefore every license that is granted is in violation of the law, is that the case?—A. No, I should have stated that this principle of observing the law was adopted by every station of the Union. They voluntarily agreed not to take illegal lobsters. I do not know that there was anything in the charter to that effect.

Q. Excuse me, as a matter of fact, you made the statement a while ago that in your district every lobster that goes to the cannery is of illegal size?—A. Yes, with very rare exceptions now. Just let me explain that matter more fully, because I recognize I must be very careful. I must say that in exceptional cases, supposing there is a drop in the Boston market in these 'mediums' as lobsters between 10½ and 9 inches are called, so that it will not pay the shipper to send them there, for that week or for that day the lucky canneryman will get them.

Q. But that would not keep the cannery going?—A. No.

Q. Well, will you answer my question?—A. Certainly, will you please repeat your question?

Q. I want to get back to this point, whether you think it is desirable that more licenses should be issued to can illegal lobsters?—A. No, the point is, that these prospective licenses are to be issued to the co-operative associations like the Union, and the first plank in their platform is not to take illegal lobsters.

Q. Yes, we know it is much more profitable to ship the live lobsters, that is the case with the industry in your part of the country?—A. Certainly.

Q. And the canning factories under the circumstances merely consume the lobsters that cannot be shipped away, is that it?—A. Yes.

Q. So that the canning industry is not a very important one in your district, is it?—A. Not very; it is not a lucrative business with us, though quite an extensive one, you know, as to the number of factories.

Q. But while the law remains, you think it is desirable that it should be enforced?—A. I think so; I rather shudder at the moral effect if nothing else, of having a law which is not enforced.

Q. Then if the law is enforced in your district no lobsters can be canned?—A. Except by the small cannerymen.

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Q. But there will be no lobsters, if the large ones all go to Boston, left to can.—  
A. This year I think all the nine-inch lobsters have gone to Boston, and while that is the case, these small concerns might hold their licenses in reserve, but if there is a glut, as I have mentioned, then they might can the medium lobsters, wholly or in part.

Q. In view of the fact that the live lobster industry is the great industry in your district, and that they ship the nine-inch lobsters to the Boston market, and under the law there are none left below that, would it not be a good idea to have a close season for canneries?—A. I think so.

Q. But in Cape Breton it is different, we have no live lobster trade there?—A. Entirely different.

Q. Would it not be desirable both in the interests of the fishermen themselves and of the industry generally that the canneries be done away with in your section of the country, and that the live lobster industry be developed?—A. For my part I fully subscribe to a proposition of that kind, which is a businesslike one and we ought to carry that out, both for profit and also as a safe measure for the preservation of these lobsters. Then the inducement to violate the law will be removed.

Q. How far would you think, assuming that this idea took concrete form in the future, how far east should the close district extend, to Halifax Harbour?—A. To the western part of Halifax county at least. I have now in mind some places around Halifax Harbour, Dover, and Sambro, for instance, where the communications with the shipping ports are not very good, and it might be the only way in which they could dispose of their fish. It might be found necessary to draw the line exactly where the inspectoral district line now runs at the head of Margaret's Bay, I think that will answer very well. A close season from the head of Margaret's Bay west as far as the Digby county line might be advisable. I am not particularly conversant with the conditions obtaining in Digby county, but I could see no objection to including that shore also in the close down for canneries, and I think I might venture to say that a proposition like that would be welcomed by the fishermen.

*By the Chairman:*

Q. Are there not localities in every district on the Atlantic Coast where the transportation facilities are defective?—A. I think there are, they are not complete in any county that I know of, except in the western part of Shelburne county, in all of Yarmouth county, and the southern portion of Digby.

*By Mr. Kyte:*

Q. And all east of Halifax there are no transportation facilities?—A. There are not many facilities, but still they ship. There are some small freighting steamers.

*By the Chairman:*

Q. There is a weekly boat?—A. There is a semi-weekly boat in most parts. I know of Harbours in Halifax county and some in Guysborough county where the fishermen have in years past shipped live lobsters even by that defective service, and the results have been very satisfactory indeed, although it involves a much longer haul and heavier freights and there is the danger of the lobsters dying in transit, and to make matters worse for the fishermen, their season extends into the summer, when the weather is not suitable for live exports.

*By Mr. Maclean:*

Q. The protection of the seed lobster is a debatable point. Do you think it is desirable to protect the seed lobster, or is there any doubt about that?—A. It is of prime importance. I should say the most effective means and the easiest way of doing it, is to give all communities the advantage of transportation as far as possible, because that abuse ceases when they begin to ship live lobsters. It might not be found possible to extend a complete system of transportation all around the coast of Nova Scotia at once; but it would tend to save the seed lobsters. In the west, the large and medium lobsters are shipped alive, but in other districts big and small go together, and if any one chooses to remove the



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ova the lobster goes in among the rest of the lot, and it is difficult for the man at the factory who receives it to detect what has been done. In fact he could not if he tried to. But where you have these lobsters shipped alive, and where the shipper sees that they are not worth one cent to him if stripped of their eggs, but are rather a source of loss in sending them to Boston, there is no inducement to the shipper, who is generally a fisherman, to break the law in this respect. I personally conducted quite an extensive inquiry recently, and I have yet to find a man, with perhaps a single exception, on all that western shore who said he had known in recent years of the ova being forcibly removed from a lobster; it does not pay. I do not know that this is especially to be credited as a virtue, but it has been forced upon us by circumstances and we do not do such a thing.

*By Hon. Mr. Ross:*

Q. What about the packer?—A. The packer does not get any large lobsters there, you know.

Q. I am speaking of packing seed lobsters?—A. In the west the packer gets only smaller cull, which do not bear eggs and he pays a very small price for them. For the large lobster you may get 25 or 30 cents in Boston, but if the spawn is torn off before shipment the lobster dies in transit and is valueless. At the factory the price is only two cents which impresses the fisherman with the fact that it is better to put the seed lobster overboard and allow her eggs to mature. That, I think, is the reason why the abuse complained of so loudly in other places is hardly known at all in the west.

*By Mr. Maclean (Lunenburg):*

Q. What do you say as to the value of pounds as aids to the development of the lobster industry?—A. With regard to artificial hatcheries, I am obliged to rely entirely upon the opinion of others because I have not been associated with the people so engaged, but I find by consulting some works dealing on the subject in the United States and Canada that the artificial hatchery is held now to be a very serviceable thing.

Q. What about the Baker pound of which you know?—A. That pound, so far as I understand it, was to provide against the destruction of berried lobsters, and if these lobsters after being captured were put into that inclosure and kept until the fishing season was over and then liberated, I would certainly say that it was a very wise provision, always, of course, recollecting that while in the pound these same lobsters were liable to die or that even the eggs attached to them were apt to become in some manner diseased. From what I heard of that particular pound I would think that it answers the purpose well. The female lobsters bearing eggs are put in that pound. They are caught by the fisherman, brought to the receiver and sold at a price slightly in advance of what the packer was likely to give. The lobsters are kept there, and fed every day and great care taken of them. Then after the fishing season has closed such of them as have not hatched out their eggs are taken and carried off the coast and put overboard. I can see no very serious objection to that, except that you may have the eggs infected while in that unnatural condition, because the very high temperature of the water may hatch out the eggs prematurely. It seems to me that when put overboard the necessity is imposed on these lobsters of crawling in and incubating their eggs, because in cold water in low temperatures, they will not hatch out any more than hen's eggs or bird's eggs will.

*By the Chairman:*

Q. You stated that the Boston merchants keep their lobsters in tanks?—A. Yes.

Q. In these tanks they preserve the lobsters for a long time?—A. Yes.

Q. Until the spring or fall?—A. Yes.

Q. I understand that these pounds are very expensive? I think Mr. Baker told us that his pound cost seven or eight thousand dollars?—A. I think so.

Mr. VENNING.—Thirteen thousand.



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*By the Chairman:*

Q. We cannot expect to have a great many of these on our coast. Do you know of any cheaper way of preserving the female lobsters until the close season arrives and then distributing them in the water?—A. I cannot think of any.

Q. How do the Boston people keep the female lobsters?—A. They do not handle them at all.

Q. How do they keep their lobsters alive in the tank?—They have what are called great cars. They are frame structures, very simple in make and not costing much, being built of lumber. They are perhaps 30, 40 or 50 feet long and proportionately wide, strongly framed so that they will sustain themselves, and divided off into compartments. Perhaps the whole thing is four or five feet deep; the deeper the better because you have to get the lobsters well down out of the sunlight if you can. These cars, as we call them, float in the docks where the water is comparatively pure, although you would not think lobsters could survive there. Nevertheless they do. The receipts from Nova Scotia are placed in these compartments and kept until there is an upward tendency in the market. Then the merchants sell them, placing them by small orders. The most enterprising of these dealers have a man who goes from Philadelphia to the western towns and takes orders for lobsters which are sold at fabulous prices. I explained this practice to the Fishermen's Union, who are now so well organized that they could have a man go to Massachusetts and do the same thing, travel through Springfield and other towns in that State, and also through Vermont and New Hampshire. Instead of shipping all these lobsters we should hold them in reserve here. I asked once before, I believe, that permission should be given to any one who desired to construct one of these cars, without cost to the government or to the department, except that of oversight when it was constructed. If that were done, our season should be curtailed a matter of fifteen days, or longer if thought advisable, in order to give the people of Cape Breton and the eastern part of the province a chance to ship and not meet our lobsters in competition in the markets in the States, permitting the western people of Nova Scotia to keep in reserve a certain quantity under the surveillance of the local overseer.

Mr. VENNING.—Do they not do that now.

The WITNESS.—I think not.

Mr. VENNING.—Except in the close season?

The WITNESS.—Well, have 15 days of the close season to ship, you know.

Mr. VENNING.—That is the trouble?

The WITNESS.—Well, the local fishery officer would see to it. These cars are locked and they have an immense padlock on them and the officer could have the key. He could take charge of the car at that time.

*By the Chairman:*

Q. But you have missed my point?—A. Yes, I know, but I will come back to it again.

Q. You are wandering from the point?—A. Then, if you please, state the point and stick right to it until the thing is settled.

Q. Can this cheap method of preserving the lobsters, which is used in Boston, be applied to the preservation of the berried lobster on any part of our coast?—A. Why should you want to preserve the berried lobster when she is not attacked?

Q. Simply for this reason: we could adopt a system by which we would buy the berried lobsters from the fishermen, put them into a tank if they will live there, and at the close of the season distribute them the same as we are doing now through the medium of the Baker pound?—A. But the berried lobster is in no danger where live exportation is carried on. The Boston dealers told me that they received shipment after shipment, without a single specimen.

Q. Not from the pound?—A. I will give you the statement which I heard once.

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The Boston dealers told me: 'We get lobsters out of that pound that are shipped to us.'

Q. I want your opinion as to whether the berried lobster could be kept alive?—A. I do not think she could. I do not think you could keep her alive in that way with entire safety because a pregnant lobster is something like every other pregnant female, there is a slight resemblance. Those that are far advanced are shy and they keep close. They have their caverns and boudoirs among the rocks, or retreats among sea weed and other marine plants, and they lie there until the eggs are hatched out. It must be obvious to any man that these eggs, with the embryo inside plainly discernable, are going to be in danger of injury by the lobster crawling over the rocky bottom. You never catch the same percentage of berried lobsters while the season is in full blast, and that is the reason; they keep pretty close.

*By Mr. Maclean (Lunenburg):*

Q. They stay in the house?—A. They stay in the house. I am told that pound system does not work well in all respects; I do not know whether it does or not. I was told by the Boston dealers that the lobsters coming from the pound were moss-backs. Moss will grow on the lobster or any other shellfish if they are kept where the rays of the sun can impinge on their backs. The dealers told me that the moss-back lobsters were shipments from that pound. I said that they were supposed to be berried lobsters, and ought not to be shipped. Their reply was: 'All we know is, that we got them and they were no good.' I recognize there is some necessity in the eastern sections for preserving the mother lobster in that state. But Mr. Chairman I can venture no kind of opinion as to the best method, because it is a subject we have not thought of in the west. I do not think we could improve on the present practice among us at all. The pound, as they have it in Cape Breton, may keep seed lobsters out of the clutches of the fishermen and the factories, but I am almost inclined to think they might die with too much kindness shown to them in the pound.

*By Mr. McKenzie:*

Q. Did it ever occur to you that traps could be constructed that would enable the lobster of less than proper size to escape?—A. Yes, it has been talked up a great deal, and I believe it was looked upon at one time as an order that the trap should be so constructed that it would allow the small lobster to escape by placing the laths farther apart; but it would be extremely hard to get such a regulation enforced.

Mr. VENNING.—That was tried in Prince Edward Island in 1893 and 1894, and it was not found practicable.

Committee adjourned until 4 o'clock.

COMMITTEE ROOM No. 32,

HOUSE OF COMMONS,

FRIDAY, April 23, 1909.

The Committee met at 4 o'clock, the Chairman, Mr. Sinclair, presiding.

The examination of Mr. Nickerson continued.

*By Mr. Maclean (Lunenburg):*

Q. You have some petitions and papers that we will not take the time to read but which you might hand in so that they may be published?—A. They comprise petitions and resolutions passed at meetings of the Fishermen's Union, giving their views on most of these points which have been already discussed, viz., the size limit, the season, transportation and provision for the saving of seed lobsters. These are the papers (handing documents to the chairman). This is a letter on the same sub-

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ject by the president of the Fishermen's Union of Nova Scotia (submitting another document).

*By the Chairman:*

Q. You have heard the suggestion made that fishermen be permitted to hold for a limited period after the end of the season live lobsters?—A. Yes, the suggestion has been discussed quite often. I may be allowed to state, Mr. Chairman, that this same topic was dealt with by a Fisheries Committee of the House of Assembly of Nova Scotia, of which you, I think, were the Chairman.

Q. What is the date of the report?—A. 1903, I have the report here. There is a recommendation, largely along the same lines which I will submit to this committee. I think the object and the means of attaining it are pretty clearly stated in this recommendation contained in the report submitted to the local government for transmission to the federal government. It is section 2 which reads: 'We beg to recommend that under such regulations as may prevent illegal fishing, licenses be issued at a nominal figure to fishermen and traders on the coast of Nova Scotia, to impound, sell and export live lobsters for a period of fifteen days after the date when the open season expires on each section of the coast.'

*By Mr. Maclean:*

Q. What do you think of that, is it possible or useful?—A. I think it would be very useful, considering the fact that towards the close of the season the lobsters are naturally at a low price in the Boston market, and when the date comes to close, all the stock held must be cleaned up at once and forwarded. They reach the Boston market at the same time and when that occurs, the prices go down to a pretty low figure. In years past some speculators in the United States engaged in the live lobster business were in the habit of sending sailing smacks to the coast, just as it drew near to the termination of the season, and these boats by offering a slight advance in the price over that quoted in Boston, were able to purchase most of the catches, or in other words they loaded up and went home. Sometimes they obtained a load at not more than \$4 or \$5 a crate, whereas in the middle of that season the lobsters had brought as high as \$40 and sometimes \$50 a crate. Then, after carrying the loads so obtained to the United States, most always to the state of Maine, pounds were constructed and these lobsters were put in them and kept there to be taken out in such quantities and at such times as the market in Boston would warrant, and so the American speculator was able to make quite a large margin out of the labour of the Canadian fishermen. These were the circumstances which first called attention to the fact and the request was made that some arrangement be arrived at, whereby certain quantities might be kept on hand at least for fifteen days longer than the season, and disposed of in similar quantities, so that the market should not ever become demoralized. To state it plainly, fishermen and traders desired to have the same privilege, to make use of the same opportunity that the American speculators were doing in the state of Maine. The Canadian fishermen said: 'This is our labour and they are getting too much profit out of it. We think some kind of provision could be made, for shipments immediately after the open season ended, under the strictest safeguards, so that no violation of the season regulations should take place.' I might say that in that connection it was further suggested that cars, being the least expensive contrivance, constructed of wood and capable of holding quite a large quantity of lobsters should be allowed at central points, and then the buyer, if he chose to make that arrangement himself, could purchase from all the fishermen who brought lobsters to him during the open season and put them in this car, which should be directly under the supervision of one of the departmental officers, and the officer of the department should see that proper provision was made for closing it. Most of the cars in use now for export lots during the legal season, are provided with a ponderous lock, and the official should take the key. Then for the next fifteen days, as the circumstances seem to warrant, if there is an upward tendency in the market, they could



take those lobsters out in small lots and forward them, and every package filled out of that car during that time, should bear the certificate of the official who has charge of the key, and any other crate containing lobsters found during that time should be considered contraband and liable to confiscation at the port of shipment. That was the scheme in the rough. It was not thought out in detail, but I recollect that when first published it met with the approval of all parties. The only objection raised at first mention was that it might possibly open the door to a violation of the law during the season; but when we came to explain more fully these precautions would be taken, and that no package would go forward unless certified to by the official of the department, the danger from that source seemed to be removed, and so far as I know all the objections were withdrawn. It must be understood that this scheme did not look to the imposing of any expense whatever on the department of the government, because whoever wished to avail himself of the privilege, must make the necessary preparation at his own expense.

*By the Chairman:*

Q. Is there not another objection to it, Mr. Nickerson. It is contended by the eastern fishermen, whose season does not open at the same time, that it would not give them very much chance of selling their live lobsters, that the western part of Nova Scotia controls the Boston market from the 15th of December to the end of their close season, and that you are proposing something that will enable you to ship 15 days longer into the Boston market and to control it to the injury of the eastern fishermen. What do you say as to that?—A. I say that we were fortunate enough to have a conference that represents the industry in the east, and we came to an amicable agreement. We said: 'We will not renew that demand again until a change of season is made, if thought advisable by the department, shortening it up by fifteen days on the latter part.' When we came forward with that proposition and said to our Cape Breton friends that we had no desire to come into competition with them in the Boston market, or to allow our season to overlap theirs, that we did not want to do anything that would be injurious to their business, but what we proposed was to have our open season end fifteen days earlier than it does now, and then that we should avail ourselves of that 'caring' privilege for the same fifteen days, which would put things, so far as the competition is concerned exactly where they are now. They were satisfied. I might say that I had a conversation to that effect with Mr. Baker about three or four weeks since in Halifax and he said: 'I cordially endorse the scheme, it will not interfere with our business at all.' I asked him if he would kindly make a written statement to that effect, which he did, which was very full and explicit and set forth the situation better than I could at the present. I have that statement with me, but I cannot put my hand on it just now.

I think, Mr. Chairman, that this settlement disposes of every objection.

Mr. MACLEAN (Lunenburg).—That is all I wish to ask, Mr. Nickerson.

*By Mr. McKenzie:*

Q. In the old days when you and I were in the Nova Scotia Legislature, there used to be a question about certain islands near your county?—A. Yes.

Q. There was a conflict between private owners, or others who claimed to be the private owners of these islands, and the fishermen. Has that question ever been settled and if so what was the nature of the settlement?—A. Mr. Chairman, I regret to say that the question has not been settled, but on the contrary it has reached a very acute stage. The island most in dispute seemed to be an ungranted island in the Tuskets. The claimants to the island issued a proclamation warning fishermen off the strand, for they occupied no more than that and made use of it for fishing purposes only. At that time there was no house or habitation, no signs of occupancy at all by any parties, but it was the practice of some of the real owners of the other islands to charge a rental to the fishermen varying from \$5 to \$25 a boat, so that it formed a pretty tempting source of income. The alleged claimants to this island requested the fishermen to pay rent or get off, and as the title was not quite clear,



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the fishermen still retained their hold of the beach and prosecuted their calling; they merely landed their boats or piled their traps there when preparing for the season's work. After a while, I myself, searched the records in the Crown Lands Office of Nova Scotia, to see if there might not be a possible grant, or lease, or sale, and finding nothing of the kind, the fishermen received legal advice that they had better hold on to what they had in true British style. The fishermen numbered about 30 and every one was served with a process—instead of making it a collective case every one of these men was summoned to appear before the Supreme Court and answer a charge of trespass. They secured an attorney and prepared to defend the suit, but about 10 days before it was to be tried their attorney, for no possible reason that I could discover, informed them that they had no case and then, of course, it was too late to get another lawyer. At the same time all the papers bearing on the case were in the hands of their first counsel and nothing was left to them but to surrender ignominiously. Then the costs were taxed and those few fishermen on that island had to pay \$500, which just equalled the little fund they had collected amongst themselves to defend the suit. Among the fishermen was one who refused to come to terms and the next move, I think, was to sue him as an over-holding tenant. That case came before the court in Yarmouth and the fisherman was acquitted. I do not know exactly what the question before the court was, whether they dealt with the question of ownership or not; I only know that the judgment acquitted this man and he continued to occupy right straight along with the others who in the meantime had made a sort of truce by agreeing to pay a yearly rental for which they signed at the beginning of every season when they went on the island. Now I believe an injunction was obtained from the Supreme Court restraining this man from landing on that island again. I presume that he did not clearly comprehend the gravity of the situation, and he did not know how fatal the thing was, but he went on the island, was arrested and lodged in jail, and in spite of Magna Charta and habeas corpus, of which we boast so much, that man is in jail yet and liable to remain there, I do not know there is any remedy since the crime seems to have been contempt of court, or it amounts to that. Of course that raises another question altogether, and I regret very much to see that the situation is so unsatisfactory, and likely to become worse.

*By Mr. McKenzie:*

Q. I am of the opinion that islands that are useful for the fishermen, and practically good for nothing else, should be the property of this government, and the use of them should be given on easy terms to the fishermen?—A. That is the general sentiment.

Mr. VENNING.—The Fisheries Act has a clause which gives permission to fishermen to occupy for fishing purposes unoccupied lands throughout the country.

Mr. McKENZIE.—That might apply to Crown lands, but not to islands privately owned. They are held to be occupied.

*By Mr. McKenzie:*

Q. Would that be your opinion?—A. That is my opinion, and it is held, I might say, by all the leading men. I am told that such was the opinion of the late Senator Lovitt, Yarmouth, and I have a letter from Mr. F. Killam, the ex-M.P. for his county, expressing some surprise that such rigorous action was taken against the fishermen. He points out that their occupation is the source of great income to the county of Yarmouth and he states that he has frequently urged upon the government—I do not know whether Federal or Local—that some measure should be taken to secure these islands for the fishermen.

*By Hon. Mr. Brodeur:*

Q. Are these islands, of which you speak, the property of some individual?—A. The title of this one is in dispute, but the Attorney General of Nova Scotia in reply the other day to a question of mine, said that the records showed it had been once granted to a certain party, about thirty or forty years ago, I think, and then cancelled by

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order of the Supreme Court in equity, at the instance of another party. And he further says, there is no other record of any transfer in the Crown land office till the present day. Of course everybody believes that the title is defective. It rested in the first place upon a mere legend that in the old colonial days a man, who lived on a certain part of the coast, piloted a British warship through the straits inside the islands, and in recognition of this service, the commander of the warship, by a sort of quarter-deck decree, granted him that island.

*By Mr. Kyte:*

Q. Are there any changes you would suggest should be made in the regulations with respect to lobster fisheries, or do you think they are as nearly perfect as they can be?

Hon. Mr. BRODEUR.—And if they are not, will you please give us your views as to that?—A. I can speak with considerable certainty regarding that portion of the coast from Digby down to Lunenburg.

Q. Lunenburg included?—A. I would not include the eastern portion of Lunenburg, but the western, where they have close connection with the railway.

Q. Can you speak of this section?—A. From the Digby county line down about to there (indicating on map), I would not include Halifax.

Q. Do you mean at La Have river?—A. Well, just about that river. That would be a safe territory to speak for. I have consulted all the leading authorities, as well as the fishermen, that is to say, I put the question frequently whenever I met them, and there seems to be a general consensus of opinion that the regulations both with regard to the size and the season are just exactly right, with the exception that the season might be shortened on the later end, and that the fishermen might profitably and safely commence a few days earlier, namely, the 1st of December.

*By Hon. Mr. Brodeur:*

Q. You would suggest the 1st of December to commence, now the season closes on the 31st of May. What would be your suggestion with regard to the closing of the season?—A. The 15th of May.

Q. What about the size limit?—A. That they wish it to remain as it is.

Q. As it is?—A. I think that the document which I submitted a little while ago strongly desires to have that size limit enforced. All those papers, I think, contain that special prayer.

*By Mr. Kyte:*

Q. Coming back to the question I put to you before adjournment, inasmuch as there are practically no lobsters left for canning after the live lobsters have been shipped, would it not be wise to abolish canneries in that section?—A. Well, that is rather a far-reaching question, and I would not like to answer it offhand.

Q. But if we are face to face with that question, as I think we are?—A. I suppose we must face it. Now let me say deliberately that the matter is to a certain extent curing and regulating itself. The past season was quite an unprofitable one for the packers in Western Nova Scotia. They were forced by competition to pay too much for these little lobsters, the 'tinker' lobsters as they are locally known.

Q. But they should not be taken at all?—A. They should never be taken at all, but if they had not taken them this disaster which we so much dread would have happened to the packers. They could not have kept their shops in operation. Now then, there is nothing before them, I cannot see there is anything before them but going out of the packing business; perhaps they could adapt themselves to the change, but I do not suppose that a very great loss would be involved.

Q. Who are the men who own the canneries, are they American packers?—A. There are no American packers in the western district.

Q. They are all local men?—A. They are all local men, or chiefly so.

*By Mr. McKenzie:*

Q. I suppose the packers could glide into the live lobster business couldn't they?—

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A. They could not do that because the fishermen ship on their own account. Nobody comes between the producer and the distributor as a rule, and that I take it is the healthiest way in which any business can be conducted.

Q. Is it your opinion that if the law is carried out to-day, there will be no lobster factories?—A. I do not see how they can run on the very small margin. It might have been possible for them to exist before the reduction of the Massachusetts limit; but everything down to the 9-inch limit now goes to Boston. Now that leaves the canners only just about from 9 inches down to the smallest lobster that is caught—we will say 5 or 6 inches.

*By Mr. Kyte:*

Q. Do you understand that the temptation to violate the law is greater in your own district, inasmuch as they have a market for their live 9-inch lobsters in Boston?—A. Yes, but they are of legal size.

Q. Not under 9 inches?—A. You mean the temptation to the packer?

Q. Yes?—A. Certainly.

Q. To take the small sized lobster?—A. I suppose that if they could get stock enough to run their factories none of them would willingly violate the law.

Q. Would the fishermen suffer very much by reason of the closing of the canneries?—A. Scarcely at all.

*By Mr. Bradbury:*

Q. What effect is the taking of the small lobsters going to have on the industry? Does it not really mean ultimately the depletion of the fishery?—A. Well, not exactly the depletion because they point to the fact that certain grounds have been fished for years and years and are still holding good.

Q. Still it is going to have some effect?—A. The worst feature about it is that the small lobster is being sold for a mere trifle when the next year that lobster would be worth more than twice as much in the Boston market.

Q. Do you really think that is the worst feature of it, the getting of the small amount for the small lobster?—A. It is the worst feature in the district in which the catches seem to persist

*By Hon. Mr. Ross:*

Q. Is not five and a half months continuous fishing calculated to reduce the supply of lobsters? In the County of Victoria, Cape Breton, at the best we have only a season of three months and some years when the ice continues on the coast the season is shortened to two months. Where you continue fishing for five and a half months, is not that calculated to reduce the supply?—A. I am of the opinion that it is. I have always said the most effective way to prevent depletion is to shorten the season. It should be remembered, at the same time, that a month and a half, if not two months, must be cut right out of our open season because of the inability of the fishermen to follow the calling by reason of rough and boisterous weather. Otherwise—

*By Mr. Law:*

Q. Have you heard of any disposition among lobster fishermen themselves to commence the season in the middle of January instead of the middle of December as at present?—A. No; we have had the strongest protest against it. Something of the kind was suggested either before this committee, or in some item which found its way into the press, and in that way reached our section of the coast. Almost immediately there was the strongest protest. I have the letters with me and they point out very clearly, I think, that commencing late in January would almost undo them. They would stand in danger of putting their gear out just in time to have it swept away by storms and would get nothing for it. That is one reason. There are several others that might well be elaborated, showing that instead of putting the season forward, it should be put back to an earlier date and then close fishing half



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a month earlier, so as to retain exactly the length of time we have now, but making better use of it at the beginning and at the end without the loss of gear.

*By Hon. Mr. Brodeur:*

Q. Are we justified in giving the people of the west a season of five months when in other districts there is only a three months' season?—A. In the other districts the three months' season falls at a time of the year when the fishermen are liable to prosecute their calling steadily on account of the weather.

Q. What about delay in fishing caused by the presence of the ice? It frequently happens that the fishermen are prevented from fishing during the first month of the season in the southern part of Cape Breton?—A. Yes, I know something of those conditions but I remember that the fishermen there did not seem to bring it very prominently before the Lobster Commission. They asked for that season. You will remember that was the season they asked for. But since, when we have discussed the matter offhand, there has been some little complaint (I think it is well founded), that the western sections have a better season, considering the fact that an ice invasion may occur in the east even after the fishermen get their traps out. I have always thought that their seasons were a little too restricted; but I keep in mind the fact that we do not actually use any more than three months of our own season.

Q. Which are the three months that you use?—A. We are using now the fifteen days in December.

Q. So that you should start 1st January?—A. Yes. We have fifteen days during which we have the mildest weather and then we have one-half of January.

*By Mr. Bradbury:*

Q. Are the traps kept out all the time?—A. Yes. To understand the situation, it must be stated that these boats go a great distance from land. Some of them go five or six miles in winter and almost ten miles in summer right straight seaward where the water is from 25 to 30 fathoms deep and it becomes a great labour to take up 200 traps to a boat, carry them in, land them and then put them out again. As you said, they generally risk it, but they do not fish them continuously during the rough spell. The traps are not baited in that interval; consequently they do not destroy any lobsters. Then about the 20th March (it varies a little according to the severity of the season), the fishermen start in again and have the remainder of that month which will be ten days, and the months of April and May.

*By Mr. Kyte:*

Q. Three months and ten days?—A. Yes; three months and ten days steady fishing.

*By Mr. Bradbury:*

Q. Did I understand you to say that with a season of five and a half months there was a danger of fishing out the lobsters?—A. I said in a general way that the length of any season was exhaustive in my opinion, but I pointed out, I think, at the same time that we practically only had three months, so that there was not a very great length of time after all.

*By Mr. Law:*

Q. You are aware of the fact, are you not, that in parts of Yarmouth county they only have about two and a half months fishing?—A. That is on the western shore, at places exposed to northwest winds.

Q. There is Sandford, Short Beach and Port Maitland, where there are not any lobsters shipped until the middle of March. There they do not get a season of five and a half months—A. No.

*By Hon. Mr. Ross:*

Q. I do not think the argument with respect to the time for fishing is very sound, because on the north shore of Victoria county the moment it comes on to blow from



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the south-eastward the boats are not able to get out for days and days. So that the time of the fishermen there is broken just as much as the time of the fishermen in your district?—A. Certainly it is; they are under the same disability. I want to emphasize this fact again, that of our season, while under the regulation it stands at five and a half months, less than three months of that period can be utilized. And in certain sections of the west, which have just been alluded to by Mr. Law, they are not able to make use of that much.

*By Mr. Law:*

Q. Two months, or two months and a half at the outside. That is really the extent of our fine season?—A. That part of Yarmouth county is exposed to some of the strongest winds.

*By Mr. Bradbury:*

Q. Is not the great danger to the lobster industry the taking of small lobsters?—A. Yes, I have admitted that is so.

Q. The first object would be to protect that industry, and is there not a danger of the fishery being destroyed because of small lobsters being taken?—A. The law gives that nominal protection already; what we want is that the small lobster shall be protected in practice as well as in law.

Q. The law that is not enforced is no good. Whose fault is that it is not enforced?—A. I am obliged to say that it seems to be tacitly agreed by all parties concerned that the law with regard to size should go by default. It is a very unsatisfactory state of affairs.

Q. That is what is destroying the whole industry, the law is not enforced?—A. I have nothing to say in opposition to that.

*By Mr. Jameson:*

Q. Mr. Nickerson, while on that point, do you think it would be better to shorten the season right throughout, or having regard to the special weather and climatic conditions along the coast, do you think that the seasons are now only reasonably lengthened?—A. Considering the weather conditions, I think that the season is not any too long.

Q. There is just one other point. Would you consider that a reduction of the size limit would be desirable?—A. I do not see that it would be of any use. It would not be profitable if the canners were kept strictly to that size. They would not have receipts enough to run any shop, even the smallest, because, you see, all lobsters over 9 inches go to the foreign market, and only those lobsters coming between 9 inches and 7 inches, that is two inches, we will say, come to the canneries and that would be a very small supply upon which to run continually.

Q. They are now canning down to about 5 or 6-inch lobsters, are they not?—A. I suppose they are, although a 5-inch lobster is getting too small to be in evidence.

Q. You do not consider a reduction of the lobster size would be any solution of the difficulty?—A. No, not in the west.

Q. Would it not be advisable to reduce it for, say, a term of one, two or three years and strictly enforce it, and then gradually raise it until the limit is brought back to what it was?—A. I think the canners would have to go out of business in the meantime.

Q. Under those circumstances?—A. Yes, under those circumstances, but I always put in this qualifying phrase, 'in the west.' You understand that in the eastern portions of Nova Scotia, there is practically no export of live lobsters as yet.

Q. Quite so?—A. In that situation, the packers could probably survive, as they do; but where everything down to 9 inches is exported, it leaves the packer only a margin of two inches to work on, and that of course he could not get along with, because he is running short now, even when taking everything.

Q. What percentage of lobsters would fall below 9 inches and be above 7 inches

in the catch that is now taken?—A. Oh, perhaps one-tenth of the whole catch, or a little over.

Q. And what percentage below that?—A. Below what?

Q. What percentage below 7 inches are taken?—A. Well, that would be a still smaller proportion, I think. When you get down to 5 inches these lobsters can escape from the trap.

Q. Then there is only fifteen per cent illegal lobsters taken, is that correct?—A. Fifteen per cent—I should not think there is any more than that; if you will consult the returns you will see that the great bulk of our catch is exported.

*By Hon. Mr. Brodeur:*

Q. Can you give us the proportion of the trade in live lobsters and in canned lobsters?—A. I think by the last returns the value of the live lobster exports was about \$600,000, and of the canned about \$500,000.

*By Mr. Law:*

Q. In what districts would that be?—A. That would include only the seven counties in the west.

*By Hon. Mr. Brodeur:*

Q. Then if we enforce the regulation with a 9-inch limit as it is provided to-day, this \$500,000 of canned lobsters will probably disappear, there will be no business for the canners?—A. But the next year you see they would be worth more than double that amount for live exportation.

Q. But is not the enforcement of that regulation going to close the factories?—A. I think so, I will not deny that fact.

Q. So you favour the enforcement of the regulations and the closing of the factories, that is if the result of the enforcement of those regulations is to bring about the closing of the factories?—A. That seems to be what is called for by the fishermen on our coast.

Q. That is what the fishermen want, is it?—A. They will not lose the live lobster trade, and they think it is vastly more important to preserve that than to kill the industry altogether.

*By the Chairman:*

Q. Would you give any notice to the canners?—A. I think they should be notified at the close of any given season so that they might make arrangements accordingly. It would undoubtedly be a hardship if a decision should be arrived at adverse to these factories just before starting in their season of operations, because they always go to considerable expense in providing their outfit.

*By Mr. Kyte:*

Q. They should have their season at all events?—A. They should have one whole season to adjust themselves to the changing conditions.

*By Mr. Law:*

Q. They also make large advances to the fishermen months before the season?—A. Certainly.

*By Hon. Mr. Brodeur:*

Q. You would not be in favour of the enforcement of the regulations right away?—A. I would give the packers time to prepare—

Q. You would give them a year's notice from the closing of the season, would you not?—A. Yes, that will be a year's notice. Give them one season. That is what I suggest.

*By Mr. Law:*

Q. Would there, in your idea, be any injustice to the fishermen and the packers themselves, if they should drop one month each year off the season until it was gradu-

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ally cut down to nothing? That would give the packers ample time to get out of the business, to dispose of what plant they have, and then the department will be in a position to see whether the lobster industry is really growing or whether it is being depleted?—A. That will apply to the packers alone?

Q. No, to the whole business, fishermen and packers?—A. You mean——

Q. To make the season one month less each year?—A. The packers, not the exporters.

Q. No, both of them?—A. Oh, no, you would not get that, I would not agree to that. When would you shorten the season, would you shorten it in the spring, or at the beginning, or in the middle?

Q. That would be a matter of arrangement, whether it should be left off in the middle, or in the end or in the beginning of the season?—A. They are forced now by circumstances to lay off for a portion of the season during the middle of the winter, and I do not hesitate to say that to curtail the season for the fishermen by a series of shortenings in that way, would be an injustice, because they are now carrying on a legitimate business, and if it were necessary in order to prevent the destruction of the lobster industry by the taking of illegal sized lobsters, the fishermen might be willing to agree to it. But I do not see why, when they are conducting a safe and honest business, they should be made the scapegoats for the sins of the packers.

*By Mr. McKenzie:*

Q. What you say is, that with legal fishing there is no danger of depletion?—A. I cannot see that there is. I have observed it quite closely and I do not apprehend there would be any danger.

*By Mr. Jameson:*

Q. With regard to the percentage of illegal lobsters, can you give us any idea of the quantity of illegal lobsters taken in the western part of Nova Scotia?—A. It differs in different localities, but there is not a very great percentage. That fact is apparent, when you see the packers suspending operations and not able to run full time.

*By Hon. Mr. Brodeur:*

Q. I understood you to say that it was 15 per cent?—A. I do not know, there will be more than that. In some places where the exportation facilities are not so convenient, you will probably get all that are caught. There are some sections in the western part where that is the case, and I think some of the gentlemen here know where they are.

Q. Let me ask you another question: You have a general knowledge of the lobster industry not only for the province of Nova Scotia but for the maritime provinces, have you not?—A. Yes, I have had some opportunity to observe it.

Q. You have a special knowledge with regard to certain districts, have you not?—A. Yes.

Q. Will you define the districts as to which you have special knowledge?—A. Yes, readily; that would comprise all of Queens, all of Shelburne and part of Yarmouth. As to the shore north of Yarmouth town, I could not speak with so much certainty, because although I have been there quite frequently, their operations never came so constantly under my observation. But with respect to the others, mentioned already, I feel authorized to speak with the certainty of personal knowledge.

Q. Having regard to those districts as to which you can speak from personal knowledge, you would say that the percentage of illegal lobsters was about 15 per cent?—A. Yes.

Q. Then 85 per cent of the catch is above the size limit?—A. Yes, something like that.

Q. You would attribute that to the fact that there is a large business carried on in the export of live lobsters?—A. It is entirely owing to that. Now in Little Harbour where this co-operative company lately started up and began operations, they always were very much opposed to the taking of small lobsters and they are canning from



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the 10½ inches down to 9. That method is liable to be followed by all the lesser packers which come into the business hereafter. You understand there is a saving in doing business in that way. The market for 'mediums' is a little uncertain, it fluctuates, and sometimes they make a loss. These men are quite prudent. They said: 'We are working for ourselves and using our own lobsters. We are going to have a market for mediums very close at home. We are under no expense of "counters" and smacks and the like of that. We will make the experiment of using these medium sized lobsters for canning purposes.' They are doing that and they have a larger margin to work on than the other packers.

Q. Where it is possible to carry on the export of live lobsters, would you consider there were special reasons to curtail the issuance of licenses?—A. The matter there regulates itself. The packers have gone out of existence in those places where the means of transportation are entirely convenient, and I would consider that less injury would be inflicted by cancelling, or refusing, licenses to canneries situated in those localities that have superior facilities for exportation than in sections far removed from the market. Is that the point meant?

Q. That is fairly well answered. You are having the industry regulate itself instead of the department regulate the industry?—A. Not as a whole, because the conditions vary so greatly. Take certain sections in the western part of Shelburne county and the lower part of Yarmouth county. There the calling is prosecuted, I think the most vigorously of any. Well, the canners are obliged to make long trips of twenty to thirty miles in order to scrape up the small lobsters to bring to the canneries. I think that is a well known fact. All that increases the expense and there can be very little profit carrying on canning operations under those circumstances. Conditions are such that it will only be a little while before the minimum amount of injury would be inflicted on the industry by refusing a license in those particular localities. Does that cover the ground?

Q. Yes, thank you. The question has been raised during the sittings of this committee as to the advisability of dividing the coast line into districts. From your experience do you consider it absolutely necessary, or quite unnecessary, that such a division should be made with regard to seasons?—A. It is an absolute necessity. It depends upon climatic and weather conditions and must remain an absolute necessity for the most part because the people in Cape Breton could never use the winter season or any part of it, not even December or the early days of March, as we do.

Q. Then in your judgment the division has been made on good?—A. Fairly good lines.

Q. Now can you tell us the special conditions which prevail in the Bay of Fundy and St. Mary's Bay?—A. With regard to size limit and season?

Q. That has been made a special division, has it not?—A. Yes.

Q. Can you tell us any special conditions with regard to that division?—A. I cannot.

Q. My reason for asking that is that I have put the same question to each witness who has been examined and they have all been unable?—A. I cannot give you any reasons.

Q. And they have all been unable to state the special conditions prevailing there?—A. I cannot say that there are any conditions differing from those of the neighbouring locality.

Q. Your knowledge does not extend beyond, we will say, the town of Yarmouth?—A. The Lobster Commission went through that part of the province and took evidence at several meetings specially convened for that purpose, but so far as I can recollect, there was nothing in that evidence, although we went over it very carefully, which would justify such an exception of the Bay of Fundy and accordingly I did not recommend it. As I stated this morning, we did not recommend that there should be any break in that uniform law with regard to size and season from the State of Maine boundary to Halifax harbour.

Q. Well, there are four different divisions?—A. I understand the Digby division



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came in first. I am unable to say on whose recommendation and for what alleged reason.

*By Hon. Mr. Brodeur:*

Q. Is it mentioned in your report?—A. I do not think it is. As I have stated I think our report recommends a regulation for one size and one season.

Q. That is for the whole—A. For the whole of that strip of coast including both sides of the Bay of Fundy and the Atlantic coast of Nova Scotia down as far as Halifax harbour. You will find by referring to the report of the Commission that such was the recommendation at first. Subsequently—

Q. Outside of the size limit, there is no very great difference in the seasons. I find that for Charlotte and Digby counties it is January 6 to June 15, St. John county, January 6 to June 29. That is fourteen days more, the size limit is different there?—A.  $10\frac{1}{2}$  inches, I think.

Q. But now it is 9 inches. The other district which includes Annapolis and Kings counties is from January 15 to June 30. So you see there is not much difference?—A. They run pretty nearly concurrently.

*By the Chairman:*

Q. You have said that the whole should be included in one season?—A. That would be my opinion.

*By Hon. Mr. Brodeur:*

Q. And have a size limit of 9 inches?—A. Of 9 inches.

Q. You would withdraw the size limit of 10 and  $10\frac{1}{2}$  inches?—A. I would be inclined to do so, considering that our first report was very popular among the fishermen as it was first announced in the press. Afterwards this change was made and evoked a little storm of opposition. Of course, there were many reasons given for it, which I am not bound to state now.

*By Mr. Jameson:*

Q. What is your present opinion with regard to a uniform size limit?—A. In the territory under review?

Q. Yes?—A. I think it would answer the purpose best to have a 9-inch size limit and the season as it was originally recommended with the exception perhaps of Digby, St. Mary's bay. On that shore they claim that in the early part of December while the adjoining sections are sheltered enough, their place is too much exposed to the northerly winds. I am inclined to believe there is something in their contention, but whether it would be wisdom to make an exception for such a short stretch of territory or not is a matter to be considered.

*By Mr. Law:*

Q. That same thing would apply to the northern part of Yarmouth county?—A. Probably.

Q. It has an imaginary boundary line too?—A. I would not like to decide on those two localities, whether it would be worth while. There is always a danger in those limited sections because there is fishing across the boundary line without let or hindrance and there must be, as these lines are not accurately laid down at sea, and a man may conscientiously move his traps 100 yards and be in another season as fixed by law.

*By Mr. Jameson:*

Q. Just one moment at this point: you speak of illegal fishing which goes on, and you say that the division or boundary lines render that possible, are you passing your opinion now of what has occurred in the past?—A. Oh, yes.

Q. Has any systematic effort been made to carry out any of the regulations respecting the lobster industry, particularly that with regard to the size?—A. Some few attempts have been made.

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Q. Have they proved effective?—A. Not quite. They carry out the regulation with regard to the season somewhat better.

Q. With regard to the season, yes, but with regard to the size?—A. Well, a few years ago some fines were heard of, but of late years they are not heard of at all.

Q. They were not popular I suppose?—A. They were not popular.

*By Mr. Law:*

Q. Do you say there are no fines imposed of late years with regard to the size limit?—A. Yes.

Q. Well, have you seen the returns from Yarmouth county?—A. Yes, I have it on pretty high authority that there is an arrangement between the packers and the officials to pay \$60 each year, as hush money, I think, I am ready to produce the evidence if called for, to that effect.

Q. Are you not aware that there are more fines collected from the packers of Yarmouth county than from the packers of any other part of Nova Scotia?—A. I had not heard of them.

Q. You had not heard of them?—A. No.

Q. I thought you were well posted on all these matters?—A. That is a matter that didn't come to the light of day.

Q. It was reported to the department?—A. I feel constrained to say that an officer of the department came down last year to consult with us respecting the establishment of a lobster hatchery there, and in the course of conversation, it developed that he had discovered there was an established understanding between the packers and the fishery overseers that \$60 was the stated price, and that at regular intervals they were called upon to pay it. I appeared myself in Yarmouth several times to defend suits of a legal nature and Professor Prince was summoned on one occasion to come down and investigate the workings of that same thing. During that short investigation, he made the discovery that on payment of this stipulated amount, this sum of \$60, the packer could go on for several months—

Q. Violating the law?—A. Yes.

Q. But he could violate the law without paying for it?—A. Yes, and that would seem to be the most honest way of doing it.

*By Mr. Jameson:*

Q. There is a very general disregard of the law with respect to the size, is there not?—A. Yes, there is at the present time.

Q. And you recognize the difficulty which presents itself at the present time in the way of its enforcement?—A. Oh, yes, it is difficult.

Q. You said a moment ago that the division of some of these districts here, particularly with respect to the season, made possible some trifling violations of the law with regard to overlapping?—A. Yes.

Q. Would you consider that as very serious compared with the violations which are going on right along?—A. No; the destruction would not be quite so extensive.

Q. But would it operate, in your judgment, so as to deprive people, who from climatic conditions were prevented from prosecuting their industry except within certain seasons, of the privilege of fishing within the season when they could profitably prosecute their industry, simply because there might be a trifling violation of the law?—A. If you made the seasons coterminous, you would get rid of that difficulty at once.

Q. Yes, but the people who are depending upon the prosecution of this industry would not be able to make their living?—A. To make my position clear, I shall have to refer again to an incident. When our recommendation was first made public, the fishermen, without exception, on the Digby shore from the Strait down, prepared to put their lobster gear off on the day and date when the Yarmouth and Shelburne county went into the business. They had all their traps on the beach when the order arrived that the season was going to be fixed, not as it appeared at first, not

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as it was in the recommendation, but according to a decision which had been arrived at afterwards. And then there was civil war. I think Mr. Jameson must be cognizant of the fact, because it did not happen so many years ago, and although he is a young man, he must remember it. Well, now, the situation was at once the most awkward that could be imagined. Here were men who, under the apparent warrant of law, had gone to the expense of preparation, because that was the proper season, and the authorities had changed their minds, but the fishermen were bound to insist upon their rights. Officials who went down there instructed to stop the shipment of lobsters from that section of Digby shore to Yarmouth, were not able to do so.

Q. Wasn't there any prosecution for that?—A. I do not know. Some time afterwards it was reconsidered, and in St. Mary's Bay, that section of the coast between Yarmouth and Digby Neck, an extension was made which remains in full force to-day, with this disadvantage that the seasons are not quite coterminous, and the abuse of fishing over the line does occur, and must occur as long as it remains that way.

*By Mr. Bradbury:*

Q. Speaking about the percentage of small lobsters, I understood you to say that about 15 per cent were under sized, are you speaking of the value or number?—A. Not value; that will be quantity, 15 per cent in weight, which would make about 50 per cent in number; that is the point. The first percentage I gave was that of weight. That would be correct, I should judge, because a lobster at 9 inches weighs a little more than a half pound, while those over 10 inches—those lobsters which are sold in Boston are large lobsters—will go about 200 pounds to the crate of 90 lobsters. That is the difference. So that 15 per cent in weight would easily run into about a half of the entire catch in count.

Q. That is the whole thing?—A. That is the way to compute that.

Q. You would say, then, that about 50 out of every 100 lobsters caught are under-sized?—A. Yes, by a mere guess I should think it was something like that.

*By Hon. Mr. Brodeur:*

Q. You said a few minutes ago, that \$600,000 worth of live lobsters were shipped to the United States and \$500,000 worth were packed. Your statement means, I suppose, that the \$500,000 worth of lobsters packed were under-sized?—A. Yes, for the greater part.

Q. In other words, that all the packing is of illegal lobsters?—A. Yes, as a rule.

*By Mr. Kyte:*

Q. Fifty per cent live lobsters are shipped to Boston, and 50 per cent of illegal lobsters packed?—A. Pretty nearly that.

*By Mr. Jameson:*

Q. That refers to the western district?—A. With some exceptions that I have referred to before.

*By Mr. Bradbury:*

Q. If this illegal fishing continues and 50 out of every 100 lobsters packed are under-sized, would it not suggest to you the ultimate depletion of this fishery?—A. It is the fate which I have sometimes seen looming up ahead of us.

*By Mr. Jameson:*

Q. The Commission to which you referred a while ago made a report in 1898?—A. Yes.

Q. I understand that the recommendations which were made by that Commission were not incorporated into regulations by the department?—A. That seems to have been the case in one or two particulars.



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Q. The regulations now in force are not those founded on your report?—A. Not all of them. I think that statement can be verified by a reference to the report itself.

*By Mr. Bradbury:*

Q. One more question. I am not a Lower Province man, but I am interested in this matter. Running all through your evidence is an expression of opinion that a certain policy would not be popular with the people. Now is there not a more serious question than the popularity of the policy of the department in regard to this industry? Is it not the first duty of this committee to see that the industry is protected regardless of whether it is in the interest of the fishermen or not?—A. Well, I should say so. I should say that is the primary consideration. At least that is what I had in view when I was a member of that Commission, but I urge protection exactly because it is in the interest of the fishermen. The first—

Q. You can understand that the fishermen want the lobsters as long as they last their time, they do not care?—A. I think that must be qualified a little. They are not quite so imprudent as that. You understand that the fishermen have their homes there. You must also understand that in a great number of instances the packers who have a factory at any given place do not live there and do not pay their taxes there, in the majority of cases. They have a shop, and they are exactly the ones who 'fold their tents like the Arab and silently steal away' whenever the supply gives out; but what of the virtuous population that remain?

Q. You have an idea that you can protect the industry and at the same time give the fishermen pretty nearly all they want?—A. Yes, sir, exactly. We could give them an increase.

*By Hon. Mr. Brodeur:*

Q. You want to see the packers leave the district from what I can see?—A. That is the consequence, not an object with me; I always distinguish between the two. I would be glad if the packers could remain and do an honest business, letting the fishermen have a living chance; but when they cannot then the same fate must await them that would await me if I did a certain thing for which I would find myself in chancery.

*By the Chairman:*

Q. I understand that in some way you are representing the Fishermen's unions and Mr. Maclean got you to present papers purporting to come from these organizations. Looking over the papers filed, I find that out of forty unions in Nova Scotia there are only two that have sent resolutions. How does that occur?—A. That came about in this manner: all these stations were not aware that this Committee was going to be appointed and hold sessions for the taking of evidence. The thing just happened in that way. Then I may further explain that I hastily called their attention to the appointment of the Committee and said: 'Here is a good opportunity for you to formulate your views and opinions and send them in to that Committee because they are going to take evidence and you will get a hearing.' That was a few weeks ago and several papers came to hand. I should think a good many more than I have here. Some of them were hastily gotten up and I will submit them to you later. Perhaps you will find a great deal in them. In taking the papers out of my portfolio this morning I discovered they were too voluminous. They contained all the minutes of the meeting of the union concerned and what I had called for was that some resolution should be embodied in the statement to be forwarded leaving out the other transactions, so as to present a synopsis of the case with which this Committee could deal at once.

Q. You have no resolution from the general association?—A. I have no resolution forwarded here but I think there is one.

Q. Who is the writer of this lengthy letter (exhibiting letter)?—A. That is S. Scott, president of the Fishermen's Union of Nova Scotia.



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Q. Who is S. Scott?—A. I only know him. He is a councillor, I think, for Cape Breton.

Q. He deals with a number of other things besides lobsters such as transportation, insurance for fishermen and the dog-fish pest?—A. That is a sort of resumé of the business that was done at the general conference last year. The union deals with all phases of the industry.

Q. I suppose what you intend is that we shall cull out of this any matter that pertains to this investigation?—A. That was the intention. I only wish, Mr. Chairman, it could have reached you in a more presentable form but I had to do the best I could. I think the information was prepared not for presentment to the Committee but for an appeal to Ottawa again.

*By Mr. Law:*

Q. I was not able to harmonize the statement you made that 15 per cent of the weight of the lobsters went into canning and 85 per cent went fresh to the Boston market. Furthermore you told us that the 15 per cent was worth \$500,000 and the 85 per cent worth only \$600,000?—A. Well, I tell you that is due to defective book-keeping, some how or other. I want to call your attention to that same report. It always does us good to study a public document with great accuracy. Now if you will look at the invoice price of these live lobsters you will find \$10 a cwt. I presume that cwt. is a term for crate whereas a crate will hold about 200 lb. and the market price there is more often \$50 than \$10.

Q. It is \$5 in the report is it?—A. It is \$10 in the west, \$5 in the east, according to the report.

Q. Then as a matter of fact your export of live lobsters would be worth \$3,000,000 on the same argument would it not, that is to say that much money would be coming into the country in return for live lobsters?—A. I can only say I do not know how the quantity was computed. I am taking this from the returns and I do not know how they size up the cwt. I have asked frequently at the custom house. I have gone there and said: 'How do you reckon this? Did you only get the hold of the number of crates?' In some places they said they did. 'Well,' I said, 'but you know what they contain?' The reply was, 'No, we do not, it is an estimate.' I am not answerable for any statement in that book. I just hold to the original statement that the live lobster export exceeds—I should say easily four times—those that are put up.

Q. That is more like it?—A. Perhaps I am not very near the mark. It is very unsatisfactory that we cannot get the data on which to base a calculation to show what we really can and what we ship of live lobsters.

*By Mr. McKenzie:*

Q. A thing like that is put in the balance of trade against us?—A. Yes, a pretty good balance is paid us, when we ship to Boston.

*By Mr. Bradbury:*

Q. As I understand it, in place of that figure being \$600,000 it should be \$3,000,000. What is the actual value of the live lobster export trade, do you know?—A. That is the way I find it, if estimated at full value.

Q. That \$600,000 was the amount we received from the live lobsters?—A. That is what I gave. That is the statement in the book.

Q. What book is that in?—A. That is in the official returns.

Q. That must be corrected then?—A. I only know they are not invoiced properly.

*By Mr. Law:*

Q. The customs omcers have the information as to the cases?—A. I spoke to a

customs officer last year about it and he said that he found that the lobsters that went to the Boston market had been invoiced too low altogether, away down under what they should have been and that this year it would be different.

*By Mr. Warburton:*

Q. What is your opinion about that \$500,000 for the canned lobsters?—A. My opinion is that it is slightly inflated, it does not amount to that.

*By Mr. Law:*

Q. What do you mean? The canned lobster is easier to get at than the other?—

A. Yes, but it involves a great deal of trouble.

*By Mr. Bradbury:*

Q. It does not matter so much, but the point I was trying to make was the great difference between what you stated, 15 per cent, and the figures shown by the return. I asked you whether it was 15 per cent in weight or numbers and I understood you to say it was about 15 per cent in weight, but 50 per cent in numbers?—A. I should think they would run that, yes.

Q. These are the ones that went into the cans, and as I said before if that continues it is sure and bound to deplete that fishery?—A. That would seem to be the logical conclusion.

*By Mr. Loggie:*

Q. The point I want to make is that it is not conceded that 15 per cent of the small lobsters are worth \$500,000, and 85 per cent, the live lobsters that are exported, are only worth \$600,000. It is not conceivable?—A. It was not conceivable to me, but when I stated that these large lobsters were all invoiced under the market price, and that the others were a little inflated, I think that explains it.

*By Mr. Law:*

Q. That might account for the difference?—A. That certainly accounts for the difference in great part.

Q. If that statement is fair and correct, then the statement we have in the returns must be altogether wrong?—A. I can quite understand how difficult it is under the present arrangements for the department to get at actual data. It must be almost impossible, because there is no one officer specially charged with that work.

*By Mr. Bradbury:*

Q. It should not be published at all, then, because it is misleading?—A. I have nothing to say about that; I know that in some instances the figures are not correct, but it is altogether due to the imperfect way we have of collecting the data. I know of no official who is specially charged with the duty of collecting these figures; I often refer to it in talking and in writing, and express the hope that I shall see the day when that deficiency will be supplied, and when we shall have in the possession of our own officers the information that will enable us to determine whether we are holding our own or whether we are retrograding. I consider that to be a step of primary importance, and when we are in the possession of that knowledge, we shall be able to legislate on lines with a certain knowledge of the effect such legislation will have, whereas at the present time that is not possible.

*By Mr. Law:*

Q. Instead of taking the data from the custom-house officers, you mean we should have an officer of the Marine and Fisheries Department who would look after the shipments?—A. That is my opinion exactly.

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*By Mr. Loggie:*

Q. The figures of these canned lobsters are not taken from the export entries, are they?—A. Are they not obtained from the officers of the department?—Because, as a matter of fact, these small canners that you speak of very largely send their lobsters to Halifax, and therefore they could not be properly covered by the export returns?—A. I think there is a Fishery Intelligence Bureau, but let me say, Mr. Chairman—

Q. Do they not have to make returns?—A. Yes, and they do so. They have what they call a reporter in the various localities, or in a great many of them, and that reporter is required at the end of the year to make returns to the officer at Halifax of the number of cases put up in the canneries, and I have supposed that these reports were used to compile the returns. However, these figures were not always reliable. Of course, in making up the amounts the person who has the work in charge is somehow guided by the information furnished by his Fisheries Intelligence Bureau, and they have gone to some pains to get the information. The officer of the bureau sends in a report weekly giving a statement as to the occurrence of the different kinds of fish in that particular section during the week. That kind of information is found to be quite useful. Now at the end of the season there comes a request for him to write a similar report and to include in it certain statements in regard to the packing of lobsters, and I have always seen these reports made out by persons who are not very conversant with the actual state of affairs. I could not say right offhand that they were not, but it seems to me impossible in every case for the reporter to escape the temptation of saying, 'Well, I think it will bear putting down at such and such a figure.' I was not in a position to say that it actually was too large, but if there was anything wrong in these figures relating to that branch of the industry, it may have occurred in that way. Let me say further that last year I had some documents sent to me from a concern calling itself the Boston Fishery Bureau, in which there was a statement which showed on the face of it evidences of great care in its preparation, and I found there an account of the shipment of live lobsters from Nova Scotia and other parts of the maritime provinces, but it did not correspond with our own returns. It showed a much larger quantity.

*By Mr. Bradbury:*

Q. When the lobsters are shipped to Boston or to the American market does not the customs officer keep track of everything that goes out?—A. Only of the packages.

Q. Do the customs officers know whether there are so many hundred pounds in a package?—A. No, I think not. The commission men take that. All these packages are of uniform size but not of uniform weight; it depends upon the care with which the contents were put in.

Q. At that rate the customs figures are not good authority?—A. I should not consider them an infallible authority although perhaps the best obtainable under present conditions.

*By Mr. Law:*

Q. I have always understood the department got its figures from the local overseer, that at the end of the season he gathers from the packer the number of cases he packs and sends that into the department, and on that basis the figures are made out?—A. He may do so.

Q. I think that is supposed to be the basis on which they depend for their figures?—A. Possibly so.

Q. But certainly if the values are as indicated either one or the other is wrong, either the \$500,000 or the \$600,000 is wrong?—A. Evidently.

Q. I think it ought to be clearly understood that is the way the department gets its figures, not from the custom house. The latter can only give the figures of the port from which the goods depart?—A. And then only the number of packages.

The CHAIRMAN.—Perhaps Mr. Venning can tell us.



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Mr. VENNING.—According to the law, the canners have got to provide each year a return of the amount of product they pack, and each license contains at its foot this form (holding up document), which is torn off and sent into the fishery overseer, or collected by the overseer, who then sends the information to the Inspectors of Fisheries who compile the statistics of their division.

Mr. BRADBURY.—What about the export of live lobsters?

Mr. VENNING.—That information is collected by the fishery overseer of the district from which these lobsters are exported.

Mr. LAW.—From the customs?

Mr. VENNING.—From the customs or elsewhere.

Mr. NICKERSON.—With regard to the weights I may say that they vary greatly. The weight of the standard crate is 140 pounds and frequently you will find them containing 200 pounds; it depends on the skill and care with which the lobsters are packed. So with the market quotation. That appears as \$10 but my information is it is very frequently \$40.

The CHAIRMAN.—It strikes me, Mr. Venning, that as there are only two ports in Nova Scotia from which live lobsters are shipped to the foreign market, it would be a very easy matter for you to arrange with some officer at Yarmouth and at Halifax to get the exact value.

Mr. VENNING.—There are arrangements made. The inspector in each district has overseers under him who collect these statistics and send them to him. He compiles them for the whole of his district and forwards them to us and they are embodied in the report. So far as the canners are concerned they are bound under the Act under which they get their licenses to send in a return at the end of each canning season. These returns are collected by the overseers of the district.

The CHAIRMAN.—Instead of leaving it to the overseers would it not be better that some officer at the Yarmouth custom house, or some other officer, should get the actual shipment.

Mr. VENNING.—We get that information from the fishery overseers.

*By Mr. Warburton:*

Q. The discrepancy may be explained in this way considerably more than 15 per cent in weight of the lobsters caught are canned?—A. It may possibly account for some but not a great deal. I observed that the account is kept by cwt. It has always been impossible for me to find out how that computation was made. For example, taking a shipment of 100 crates. Those crates invariably contain more than 140 lbs.

*By Mr. Bradbury:*

Q. Are those crates not weighed?—A. They are not weighed here, only in Boston.

*By the Chairman:*

Q. Are the lobsters sold by number?—A. No, they are sold by weight.

*By Mr. Law:*

Q. The point is, that you value them at \$10 whereas they bring about \$40?—A. Yes, that is often the price of a crate. If that cwt. named in the returns, means a package they sometimes bring \$40 and sometimes a little more, and there is one uniform invoice price for a cwt. in the returns, viz.: \$10 which is manifestly too low.

Q. One hundred pounds make a crate of lobsters?—A. No; 140 pounds is the standard crate, but most of them go nearly 200 pounds now.

*By Mr. Jameson:*

Q. While on the subject of fishery statistics, I want to ask do you consider the reports of the fishery overseers, showing the quantities and values of fish taken in



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the respective counties, to be accurate?—A. They are not accurate in all cases. For instance, I noticed looking at them the other day, that there is a return from Clark's Harbour of something like 2,500 gallons of fish oil. To my knowledge, no fish livers have been saved there the last five years.

Q. Is there a regular system, within your knowledge, whereby these statistics are collected and compiled?—A. No, not within my knowledge.

Q. Is there not some system by which they are collected at the end of the year?—A. I could not say that there is. Evidently, as Mr. Venning has explained, there was an attempt at a system of collection, but as the fisheries become more complex, it has been found insufficient. I daresay that we have got the best use out of the system that it is possible to get, but the time has arrived now when that business ought to be relegated to some special officer because there is abundant work for him to do, in each province.

Q. Without keeping track of the quantity sent out at the different ports, it would be impossible at the end of the year to state just what the quantities were?—A. I think so.

*By Hon. Mr. Brodeur:*

Q. Your suggestion would be to have a special officer for that purpose instead of an overseer?—A. Yes.

Q. Could not an overseer do that work?—A. Well, it would be a little difficult for him during the whole season's operations with his other duties. The official in charge of the distribution of fishing bounty would be in about as good a position as any one. That man comes into contact at certain times of the year with almost every practical fisherman, and while he is only required to put down the amount of fish which entitles him to a bounty he seldom makes a statement in regard to all the kinds of fish caught.

*By Mr. Loggie:*

Q. Does he not draw any bounty for catching lobsters?—A. No, he does not. While the fishing bounty officer is there, he might make the inquiry with regard to all the catch. It would only take him a little longer.

*By Mr. Bradbury:*

Q. I understand that these live lobsters are all exported to the United States market?—A. Yes, they are all exported there from the west. Some small lots go to central Canada from the east.

Q. It surely cannot be difficult for the department to discover how many lobsters have been exported from our country. Our custom house officers are at the points from which the lobsters are sent. Surely those would be the proper places to get the information?—A. They could find out the number of packages but not their weight.

Q. These packages ought to be weighed then?—A. They are weighed in Boston.

Q. Why not weigh them before they leave our ports?—A. That would necessitate the employment of a large number of men, and cause too much delay in shipping.

Mr. LAW.—It could not be done very well at Yarmouth. The boats come in with the lobsters before the Boston boat sails and no sooner do they get their lobsters aboard than the steamer is off. They maintain very close connection.

*By Mr. Bradbury:*

Q. Well, if I understand the position aright, we have not a correct idea of the amount of lobsters that is exported?—A. The departmental estimate I should say is an approximate one; but in my opinion, it is too low in value.

*By Mr. Warburton:*

Q. If the crates were of the same size, even though the packers were not all equally as deft, would not the count in the number of cases, each weighing so much, be practically sufficient?—A. They vary so greatly in weight that even if we had an

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accurate count of the number of packages it would furnish no criterion as to the quantity exported, or a very uncertain one.

Mr. KYTE.—Possibly it would be a good idea for this committee to meet in Halifax when the representatives of the Fishermen's Union are there and interrogate them as to this particular question of the lobster industry and so gather useful information. I do not know whether it would be practicable for us to go around during the summer and take evidence.

Mr. McKENZIE.—We want to discuss that matter. The honourable minister suggested that we should go to different parts of the province and take evidence. That is a first class idea. I do not know whether the committee would be able to give the necessary time to go all over the provinces, but if the stations of your Fishermens' Union knew they were to meet this sub-committee in Halifax, they could so arrange their delegations as to send their best men to Halifax, there to meet this committee and present to them whatever facts they might want to communicate to the committee?—A. I think they would be glad to do so, and I also think it would be an expeditious way of getting some data which we desire to have.

*By Hon. Mr. Brodeur:*

Q. If it is decided that this committee cannot sit during recess, could not the Fishermens' Union arrange to send somebody else up here next year to give evidence in their name?—A. That might be possible, yes.

Q. Who would cover the different districts interested?—A. In the meantime I am sure all the stations would interest themselves and would be as careful as possible in collecting information.

Mr. McKENZIE.—If we could have two or three days in Halifax, we could collect a great deal of information there.

Mr. BRADBURY.—What power would the sub-committee have to meet during recess?

Hon. Mr. BRODEUR.—It would require a special order of the House.

*By Mr. Jameson:*

Q. Have you a list of the different stations with you?—A. No, I have not.

Q. Can you furnish a copy of them to the committee? You might file a copy within a few days. It is advisable that we should have a list because it is possible that the whole of the districts may not be covered by the stations of the Fishermens' Union?—A. This organization extends from Digby county to the northern part of Cape Breton. It includes the whole of the coast.

*By the Chairman:*

Q. Will you furnish us with a list of these stations and the name and address of the secretary of each?—A. I will do so at the earliest possible moment; but I am afraid I could not do so just now.

Witness discharged.

Committee adjourned.

#### LETTER FROM MR. NICKERSON.

The following letter was received by the Chairman from Mr. M. H. Nickerson, after he had left the witness stand:—

J. H. SINCLAIR, M.P.,  
Chairman Fisheries Committee,  
House of Commons, Ottawa.

SIR,—In my evidence before your committee, while dealing with the apparent discrepancy between the quantity and value of canned lobsters and those exported

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alive, as given in the departmental report, it escaped me for the moment that a large number of the latter class is sold by count to the American smaeks every year, and taken out of the country, of which there seems to be no entry in the official returns. This accounts for the discrepancy.

Your obedient servant,

(Signed) M. H. NICKERSON.

EXTRACTS from Letter, President Fishermen's Union, Nova Scotia: 'The Cannery License.'

In regard to the Cannery License Act, we claim that the same should be immediately repealed, that hereafter licenses be granted to any person or persons that can show the government that they possess the necessary capital and experience to conduct the canning of lobsters successfully.

*Protection of Seed or Berried Lobsters.*

The question of protection to seed or berried lobsters is one that ought to engage the serious attention of the government. At the present time there is a wanton destruction of the above-named valuable fish, which if continued in much longer must end in the total destruction of the industry, and in a corresponding loss to the business and revenue of the country.

It is true that the government has spent during recent years large sums of money, with a view of propagating and perpetuating the lobster species. It is also true that it is quite possible to propagate lobsters by artificial means, but it is extremely doubtful that few if any of the species thus propagated ever reach the adult stage. Now the fishermen of the East coast of Cape Breton from Little Lodaine to Point Accomie in the County of Cape Breton, have during the last two years reached an understanding between themselves to protect the seed lobsters that may be caught by them during the fishing season, by liberating the said seed lobsters directly on the ground from whence taken. In this way, the said lobsters are allowed to remain in the natural spawning ground until such time as the lobster propagates its species in the natural order. We are of the opinion that if all the fishermen of Nova Scotia would follow the lead of their Cape Breton brothers of the calling in regard to the protection of seed lobsters it would solve this much exploited question and relieve the government and those immediately depending on the lobster fisheries for a living of any further anxiety as to the possible destruction of the same. Now I may remind you that the Grand Council of the Fishermen's Union of Nova Scotia at its two last conventions, 1907 and 1908, strongly recommended to the government the proposition of the purchase of all seed lobsters at 8 cents per lobster, direct from the fishermen, and the return of the same at once to the ground from which taken.

THE SIZE LIMIT.

Owing to the fact that the average proportion of small lobsters is much greater in the waters of the Northumberland Straits and the Island of Cape Breton than on the south and west coast of Nova Scotia, it is highly desirable to reduce the present size limit from 8 to 7 inches.

TIME LIMIT.

The present time limit for catching lobsters on the Island of Cape Breton should be continued, viz.: the season begins the first day of May and ends the 31st July, but owing to the drift ice being on the coast in the early part of May the fisherman seldom gets his traps out before the 15th May, and never earlier than the 10th May any year. In 1904, the first traps were set on the 23rd May of that year. Two years later, 1906, the fishermen did not get their traps out until the 16th June. It can thus be seen that our fishermen in any season have only two months and twenty days at



most, and some years not more than two months not allowing for time lost in consequence of bad weather. I would, therefore, strongly recommend that the present time limit for the above named part of the coast of Nova Scotia and the Island of Cape Breton be continued.

RESOLUTIONS ADOPTED BY STATIONS—FISHERMEN'S UNION.

Resolution passed at meeting of station No. 2 Fishermens' Union at Little Harbour, March 13, 1909.

Whereas in our opinion the catching and canning of lobsters under nine inches has been the means to a large extent of depleting the supply on the coast of Nova Scotia and the canning of small lobsters is unprofitable as well as destructive;

And whereas we believe that a large quantity of canned lobster put on the markets is packed from lobsters under nine inches in size therefore causing the supply to exceed the demand resulting not only in a big drop in price but leaving a large quantity of last year's pack still on the market unsold therefore causing a dull sale;

We, therefore, recommend that no berried or other lobsters under nine inches be sold or packed and that the regulation in these respects be strictly enforced.

Also that any man or any parties receive a license who would operate a properly established cannery.

Also in our opinion the season for fishing could not be changed for the better.

As to pounds and hatcheries that the committee decide that question according to their own judgment.

(Signed) D. L. RUEGEN,  
*President.*

C. H. SWIM,  
*Secretary.*

We, the members of Station No. 14, F. U. of N. S., in the County of Queens, recommend that the present lobster law bearing on the size limit be allowed to stand as it is, but that we have a more limited season basing our judgment on the following accounts:—

First, that the size limit if thoroughly followed would protect our waters we believe for years to come, with just possibly a slight decrease in quantity but a gradual increase in value, therefore, offsetting any loss financially to any material extent.

Secondly, but under the present circumstances owing to the lack of officials to fulfil their duties and to the seeming negligence of a large number of fishermen who pay no attention to the law, but wilfully handle illegal lobsters for market use, we, therefore, deem it wise that if the present law cannot be enforced that we have a shorter season thereby giving the lobsters a greater time to mature that being a more certain safeguard for the replenishing of our grounds.

(Signed) WILLIAM J. NAUGLER,  
*President.*

WILLIAM H. HARTMAN,  
*Secretary.*



REPORT  
OF THE  
SELECT STANDING COMMITTEE  
ON  
FORESTS, WATERWAYS AND WATER-POWERS  
FIRST SESSION, ELEVENTH PARLIAMENT  
1909

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## HOUSE OF COMMONS,

FRIDAY, February 26, 1909.

Ordered, That the following members do compose the Select Standing Committee on Forests, Waterways and Water-powers:—

Messrs. Arthurs, Béland, Boyce, Campbell, Carvell, Chew, Currie (Prince Edward), Edwards, Fisher, Fowke, Haggart (Lanark), MacNutt, McLean (Sunbury), Magrath, Molloy, Monk, Perley, Pickup, Price, Richards, Savoie, Sifton, Tobin, White (Renfrew), White (Victoria, Alta.), Wilson (Laval).

Ordered, That the said Committee be empowered to examine and inquire into all such matters and things as may be referred to it by the House; and report from time to time its observations and opinions thereon; with power to send for persons, papers and records.

Attest,

THOS. B. FLINT,

*Clerk of the House.*



## REPORT

The Select Standing Committee on Forests, Waterways and Water-powers, presented the Third and final Report of the said Committee, which is as follows:—

The fact that the Committee was organized late in the session made it difficult for the members to take the time necessary in following out inquiries which have been suggested, but, for the time during which it was possible to devote to the work, a considerable amount of valuable information has been obtained through evidence of expert officers of the Government. The evidence has been fully reported to the House.

The investigations made are extremely limited and incomplete, and cannot be carried to completion until next session of Parliament, but the evidence placed before the Committee is regarded as being sufficient to warrant definite recommendations upon two subjects.

1st. It has been shown that the officers of the Transcontinental Railway have framed and promulgated excellent regulations for the protection of forests along the line of the Transcontinental Railway, and that various plans are being adopted in the provinces of New Brunswick, Quebec and Ontario for enforcing these regulations. It is quite apparent that the result of the attention, which has been given to the subject, has been to very largely reduce the destruction of forests by fire which has heretofore almost always characterized the construction of railways through forest territory. Your Committee, however, are impressed with the belief that a great amount of additional attention should be given to the enforcement of the regulations and believes that the Commissioners would feel that their hands were strengthened in the work if they were supported by specific action on the part of the House of Commons. It is, therefore, recommended that the Commissioners be asked to devote special attention to the enforcement of the fire regulations and to provide any additional staff necessary for that purpose; also that power be given to the Commissioners to expropriate additional width of right of way, where necessary, to provide adequate protection against fire.

2nd. Your Committee desires to call attention to the need for immediate action in regard to the conservation of the forests on the eastern slope of the Rocky Mountains. This territory, once heavily timbered, is no longer in that condition, although it contains a considerable quantity of merchantable timber. There has been very great destruction by fire even in recent years. The importance of preserving the forests on the tract in question cannot possibly be exaggerated. The rivers which flow down through Saskatchewan and Alberta, upon which, almost exclusively, the whole water supply for domestic, municipal and irrigation purposes of the population of these provinces depends, have their sources between the foothills and summit of the Rocky Mountains. Apart from the question of actual water supply, other matters of far-reaching importance are involved, such as the continued fertility of the soil, the regularity of the rainfall, and the moderation of the climate. These all depend upon the continuation of the flow of the rivers in question. When these rivers are used to their utmost limit, as at present distributed, the quantity of water there, leaving aside domestic and municipal supply, is sufficient to irrigate about two per cent of the irrigable land, while, if properly regulated and conserved, it would suffice to irrigate from sixteen to twenty per cent. Instead of moving toward a system of proper regulation of increasing the amount of efficiency of the water flow, the forest

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land, which alone can sustain the supply, is being rapidly destroyed by fire owing to the insufficiency of the protection which is accorded. The officers of the Department of the Interior who are employed in connection with this work are believed to be active and efficient, but a larger and better organization and a much more extensive staff is required in order to cope effectively with the evil.

Not only the water supply, but the fuel supply is involved in the effective handling of this question. Western Alberta is very rich in coal, and the mining industry has passed the initial stages and is no doubt upon the eve of great development. A supply of timber at reasonable cost is essential for economical coal mining, and this timber should be procurable from the territory in the neighbourhood of the location of the mines. If such timber supply cannot be procured, it will add most materially to the cost of mining, and therefore to the cost of fuel. It is safe to say that unless very decisive measures are taken the supply of timber for mining purposes will very soon disappear.

In view of these facts, therefore, your Committee begs to recommend that immediate action be taken to enlarge the boundaries of the National Parks or Forest reserves and that a single continuous forest reserve be created from the International Boundary line to the northern watershed of the Peace River, embracing so far as possible the land upon the east slope of the mountains as shown in the accompanying tracing which has been prepared by the Forestry Branch of the Department of the Interior.

It is recommended that a competent warden, with an efficient staff be placed in charge of the reserve, above indicated, and that stringent regulations be provided for the purpose of, so far as possible, absolutely preventing the destruction of timber by fire, and for the further purpose of carrying on a system of reforestation whenever possible.

It is further recommended that an accurate forest survey of the territory included in the reserve, commencing at the southern and more immediately important portion, be carried on with all convenient speed, and that it be a portion of the allotted work of such survey to locate and determine upon possible reservoirs for the storage of waters within limits of the reserve.

If it be regarded as too late in the session to introduce legislation for the purpose of giving effect to the recommendations above set forth, your Committee would suggest that by executive action the reserve should, so far as possible, be constituted, defined, and put into effect, looking to the introduction of the necessary legislation at the next session of parliament.

CLIFFORD SIFTON,  
*Chairman.*

HOUSE OF COMMONS,  
May 17, 1909.



## MINUTES OF EVIDENCE

## PART I.—WATERWAYS OF CANADA.

HOUSE OF COMMONS,  
Room 34,

TUESDAY, April 6, 1909.

The Select Standing Committee on Forests, Waterways and Water-powers, met at 10.30 o'clock a.m., the Chairman, Hon. Clifford Sifton, presiding.

Mr. R. E. YOUNG, D.L.S., Superintendent of Railway Lands, attended before the Committee.

The CHAIRMAN.—Mr. Young, this Committee has been formed for the purpose of considering the question of forests, waterways and water powers, and it was ordered at the last meeting that you should be asked to make a statement giving the Committee, as far as possible, a recital as to what has been done in regard to the preparation of information with the object of preserving and conserving these great natural resources and channels of communication. Before we proceed to hear Mr. Young, I would suggest to the Committee that some honourable gentleman move that we report to the House this afternoon asking to have the quorum of this Committee reduced from 10 to 5. If we do not do that we shall never get a meeting.

Motion made and agreed to.

Mr. FOWKE.—Will the addresses delivered before this Committee be taken down for publication later?

Hon. Mr. FISHER.—Yes.

## PRACTICABILITY OF INLAND NAVIGATION.

Mr. YOUNG.—I have had some difficulty in understanding just what the Committee expected of me, and I have not had much time for preparation. I want to devote a few minutes to the matters which the Committee has charge of, and if you will allow me, I will reserve the order in which they are named and take waterways first, then water powers, and finally forests.

In regard to the waterways east of Lake Superior, I think the members of the Committee are better informed than myself. I have a number of reports and memoranda on that part of Canada which were placed in my hands for use at the recent conference at Washington, including a report from Mr. St. Laurent, of the Department of Public Works, on the Georgian Bay canal; a report from Mr. W. J. Stewart, Hydrographer to the Marine and Fisheries Department, on the navigation of the great lakes and conservation of power, and a history of the Ship Channel from the Deputy Minister; the report of the Railways and Canals Department of 1907 on the canals and the report of Mr. Butler, Deputy Minister of Railways and Canals, on transportation. These memoranda and reports contain a great deal of valuable information. As to the western waterways I thought I might say a little that would interest the committee. I have had a good deal of difficulty in collecting information, but I have a paper which was prepared a good many years ago by Mr. John Ross, who built the north shore line of the Canadian Pacific Railway, and which was published by him in 1895. He had expressed the expectation that in the future those waterways would assume a

great deal of importance, and I will read you one or two extracts from his paper. He opens up by giving some explanation of the development that had taken place in the waterways east of Lake Superior, and the paper goes on to say:

‘But the all important step, and the one which should most deeply engage the attention of the country at the present time is the extension of the navigation from Lake Superior westward to the heart of the continent so as to develop the agricultural land of the Northwest Territories in a manner commensurate with their extent and importance; and in this way bring their traffic to the St. Lawrence and our ocean ports. When the population of these Territories comes to be counted by millions and tens of millions, as in course of time it will be, all the railroads likely to be built would not suffice to carry their surplus productions to the ocean, at least at such rates as would be satisfactory to agricultural communities. But through these wide regions nature has provided a highway for cheap transportation which can, at an outlay which the Government might well bear, be rendered available.’

He discusses the possibility of transporting the products of the western prairies by water shipments or in part by means of a railway over the height of land in Lake Superior, and then he goes on speaking of west of the height of land.

*By the Chairman:*

Q. Does he say what the elevation is of the extreme height of land above Lake Superior?—A. Yes, he tells that.

Q. How many feet is it?—A. The difference in the elevation is 850 feet. That is between Lake Superior and Lac des Milles Lacs.

From the city of Winnipeg by way of the Red River, Lake Winnipeg and the Saskatchewan to Edmonton, the waterway, as is well known, is susceptible of being made available to steamers of light draft, perhaps stern wheelers such as are used on the Mississippi. But from the city of Winnipeg to Lac Bourbon (Cedar Lake) on the Saskatchewan, the route by way of the Assiniboine and the Manitoba and Winnipegosis lakes has its advocates, and they claim that it would open a finer country and be more sheltered than the route by Winnipeg. Which of the two would be the less costly is a question for consideration. In the one case the Red River itself between the city of Winnipeg and the Stone Fort would require a good deal of improvement, and the Grand Rapids at the mouth of the Saskatchewan would have to be dealt with, while in the other a good deal of canal work would be necessary between the Assiniboine and Lake Manitoba, as well as between the Manitoba and Winnipegosis lakes, where there is a difference of 18 feet in the level, and again between the last named lake and Lac Bourbon, where although there is no great difference in the level the excavation would be considerable. We have thus west of the height of land at Lake Superior, 1,500 miles of direct waterway without reckoning the many branch waterways which could be made subsidiary to it at no extraordinary cost. In drawing attention to the practicability of rendering these inland waterways available to navigation, I have so far offered no opinion as to the scale that should be adopted in the event of the work being ever undertaken. It is a point requiring much consideration, but in this regard I may at once say that canals and locks on such a costly scale as those of the St. Lawrence need not be thought of, inasmuch as they would not be required. From Lake Superior to the head of the Saskatchewan a minimum depth of 6 feet is probably all that could be obtained, and certainly more than all that would be needed. Vessels drawing far less than 6 feet are nowadays constructed of a carrying capacity equal to that of large ocean-going vessels, that is of course in well sheltered waters, and perhaps a canal system similar to that which has been attended with such wonderful development on the tributaries of the Ohio and on other rivers of the United States, might be found to be well adapted to the great rivers of the central section of this Dominion. At all events, it is deserving of consideration.

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## IMPORTANCE OF INLAND NAVIGATION IN CONNECTION WITH GROWTH OF THE WEST.

There is some more information, but I do not propose to go into it any further. It seems to me that the increasing importance of the inland waterways question in the United States points to us that this question is not chimerical by any means. It attracted my attention at the time that paper was published, because the gentleman who read it is an engineer and contractor well known throughout this country. In the United States every river possible for navigation is now considered of importance for that purpose. If we may expect a similar growth in our western country, the same condition will be reached with us. Of course the season is not so long. In emphasizing the importance of the inland waters question in Western Canada, I would like to ask the committee to give me five minutes on the land situation in Western Canada to which I have devoted some thought. I would suggest that you should look at our homestead map. That is the first edition published, I think in 1905. It was the first that was made to show the condition at that time of the homesteads. I would also like you to look at this map which was published on January 1, 1909, and compare the progress indicated by the colouring.

*By Mr. White :*

Q. What is the date of this map ?—A. I think it is 1905, January 1, 1905. Both maps show the homesteads of the previous year.

*By Hon. Mr. Fisher :*

Q. What is the red ?—A. The red are the homesteads of the previous year, and the dark gray are the patented homesteads. The green indicates the even sections which have been disposed of otherwise than to settlers, that is in railway grants and otherwise. It seems to me that these maps tell us the whole story of the progress of the west, and assist us to understand that the waterways may be of great importance. The story told by this map is hardly complete because it only shows even sections. On September 1 last, the odd sections were opened to settlement and the figures made up for your information show that the area granted to settlers from September 1, to January 1, was 5,309,000 acres. I think about half of that would be on odd sections: so that while this recent map shows an enormous advance in settlement on the even sections, there will be an addition to that of two and a half million acres on odd sections. There is a second point I would like to make about the progress of the west, and I will give it to you in this way. The total area surveyed shown on the lower map is 134,000,000 acres. Now it is a fact that wheat is grown successfully almost everywhere in that area. The land surveyed is all agricultural land. We only survey the agricultural land. Therefore, I think it would be fair to measure the annual results with confidence that might be expected in the future, if we deduct half of the surveyed area. The area under grain cultivation in 1908, the latest figures I have, was 9,600,000 acres. If you divide that amount into one-half the surveyed area, namely, 67,000,000 acres, it will go about seven times. Now I think a statement from the Trade and Commerce Department that was prepared for me in December or January shows that the value of the grain products of the Northwest for 1908 was \$143,000,000. The amount of the crop is now known to be greater than it was then. The prices are higher, I think, but even at that it is surely a fair conclusion to make, to multiply that \$143,000,000 by 7. I do not think that will be considered unreasonable. If you multiply that by 7 you get a future grain production which may be reasonably expected of over \$1,000,000,000, and that does not include the cattle and other products which according to an estimate I have, amounted to over \$17,000,000 in 1908. It should also be borne in mind that I have not included the country north of the surveyed area as to which I have devoted a good deal of study, and which, I expect, will be a country that will produce a great deal of grain and other products.



*By Hon. Mr. Fisher:*

Q. The surveyed area now goes, roughly speaking, to Athabaska Landing?—A. The furthest point north is Athabaska Landing, but there are a few townships in the Peace river district.

Q. It would not include any of the country north of Athabaska Landing?—A. You mean the surveyed area?

Q. Yes?—A. No, not by any means.

Mr. MAGRATH.—It shows it in the map in red.

*By Hon. Mr. Fisher:*

Q. Well, the area generally north of Athabaska Landing is not surveyed?—A. No.

*By Mr. Fowke:*

Q. It is practically confined to the three provinces?—A. I am speaking of the three provinces entirely. I am endeavouring to make the point as to the progress we may expect in the Northwest, and to illustrate what seems to me the importance of considering the western waterways. There is a third point which I would like to speak about, as to the land situation in the United States. I have a pamphlet published in January by the Forest Service of the United States called 'The Future Use of Land in the United States,' and if I have estimated the conclusion there reached correctly, I think it would be worth considerable careful study on the part of every one here, and I think by every Canadian. The writer points out that by 1950 the United States will have a population of 150,000,000 people, and this is considered a conservative estimate. Some estimates are as high as 200,000,000. The writer points out that in order to provide for the necessities of a population of that number in the United States, it will be necessary for them to utilize all their land area. There will be so much of it of necessity devoted to forests and in other ways, such as a population of that number would require, and it is quite clear that the demand for land is going to be very much greater, is going to increase at a rate that we little realize in Canada, and that certainly they are going to come into our country. I do not think it is an extravagant opinion to express, that all the agricultural land in Canada, not only in western Canada, will be enhanced in value and will be very considerably in demand long before 1950 by reason of the pressure in the United States. There is another point that I would like to make on that question of the American population. The census of 1900 showed an increase in the United States of fifteen times the population in 1800. That is to say, the population in 1900 was fifteen times greater than it was in 1800. The population in Europe increased scarcely double in that time. With respect to the growth that we may look forward to in Canada, we should have a somewhat similar experience to theirs. We have their population to draw upon, while they draw their population from across the ocean. Their increase in population by immigration is nearly one-half of the total increase, the figures being 31,000,000 by immigration and 35,000,000 natural increase.

*By Hon. Mr. Fisher:*

Q. That is in the whole century?—A. Yes, in the 100 years. Now, all those figures that I have given to you, seem to me to point to the desirability of considering the waterways to which, so far as our western prairies are concerned, few people seem to have given any thought. The only information I have been able to gather is in the paper of Mr. John Ross which I remember to have seen when it was published. If the argument is sound that those western waterways will be of great importance and that the increase of population will be as great as we expect there, it is also of importance that we should consider the northern waterways extending to the Arctic ocean. I have a map and I would like to ask your attention to it for a moment. It has been specially coloured to bring out the important points. You will see that from Fort



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McMurray about 275 miles north of Edmonton, perhaps 300 miles, we have navigation for 287 miles for about two and a half feet draft. That is the minimum down to Fort Smith. From Fort Smith going up the Slave river and up the Peace river we have navigation for 320 miles for two and a half feet draft. There is a drop on the Peace river in, I think, less than three miles, a fall of 24 feet, and above that we have 550 miles of navigation with a 2-foot draft to Hudson's Hope. From Fort Smith we have an uninterrupted navigation for 1,299 miles to the Arctic ocean. There is a break at Fort Smith of about 16 miles with a fall of about 250 feet. Then again there is the navigation of Lake Athabaska. I have not the exact dimensions at the moment but they are considerable. Then we have Great Slave Lake which, of course, is navigable throughout, being very deep, and larger than Lake Erie. It seems to me that in the present and prospective development of our prairie country, the navigation of those waterways as well as the development of other resources in that north country will be of great importance. If we look forward to a population of many million people in our prairie country, there is no question that the navigation of those waterways will furnish access to natural resources of great value in that north country. There is another stretch of navigation in that north country that we have not heard much about, and I do not think that I am indulging in any fantastic ideas when I say it will be of great importance. If the Hudson's Bay Railway becomes an accomplished fact, a man ought to be able to get on a train at Ottawa to-day, and in four days be in Fort Churchill. In three days he could be at the head of Baker lake. I have reports that show that that could be done. There is 10 feet of navigation up the Chesterfield Inlet from Hudson's Bay to Baker Lake, something over 210 miles. From Baker Lake it is possible to get into the Thelon River which will give a navigation of over 300 miles. Now from the study I have given to the question I think we have every right to expect that in the future, there will be an enormous mineral development in the bare or treeless lands. That development has been almost impossible up to the present, but when a man from Ottawa within one week will be able to reach the head of Baker Lake in the heart of the treeless lands, and if the copper and other deposits which are expected to be found there are there, it will be readily seen that the development of those waterways will be a matter of very great importance.

*By Mr. Boyce :*

Q. How far is Baker Lake above Fort Churchill?—A. It will be about 350 miles in a straight line.

*By the Chairman :*

Q. How far is navigation from the shore of Hudson's Bay towards the west?—A. I will give you the information I have. This is from Mr. J. W. Tyrrell's survey between the Great Slave Lake and Hudson's Bay, published in 1901:

'I was unable owing to the short time at my disposal, to make anything but a cursory examination of the general depths of the water traversed, but I took soundings enough to satisfy myself that vessels drawing 10 feet of water would have no difficulty in travelling from Hudson's Bay to the west end of Baker Lake. Here boat navigation must end as far as the river between Schultz and Baker lakes is concerned, owing to rapids at either end of the river that would in low water not permit of the passage of any craft larger than a York boat.'

On page 35 of the same report in reviewing the result of the exploration Mr. Tyrrell gives the following as one of the results:—

'The discovery of the Thelon River, one of the finest in Canada, navigable for river steamers or other boats of light draft all the way from Hudson's Bay to the forks of the Haubury, a distance of 550 miles, excepting perhaps a few rapids on the river above Baker Lake where some improvement to the channel might be made. Just what length of time this route may be open for navigation I am unable to say precisely,

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but would judge that the river portion must be open at least five months, and the inlet and larger lakes about a month less, namely, during the months of July, August, September and October.'

I have a report which was compiled for me on New Ontario, and I believe that every source of information was exhausted to get what I have, and I was struck with a statement in it. I am unable to give you any more than what I have.

*By Mr. Boyce :*

Q. Is that report printed?—A. It would not be, for it is an incorporation of everything we could find from a great variety of sources.

The region is watered by the Moose River flowing into James' Bay and its tributaries, the Abitibi, the Mattagami and Missinabie, and the Albany and its tributaries, the Kenogami and Ogoki. Each of these rivers is over three hundred miles in length, and they range in width from three hundred to four hundred yards to a mile. They are fed by numerous smaller streams, and these in turn drain numerous lakes of larger or smaller size, so that the whole country is one net work of waterways affording easy means of communication with long stretches of navigation.'

I have devoted a good deal of study to the possibilities of development in new Ontario, and I believe that there will be great development, and therefore that the question of waterways in New Ontario is worthy of investigation. Now, I do not think that I can tell you anything more about waterways, but I might interest you for a moment in the question of water powers.

*By Mr. White:*

Q. Before you leave the question of waterways, let me ask you this. It has been said that Canada really holds the key to the transportation problem of the North American continent, with regard to waterways particularly. In your study do you find that that is true?—A. It is a question a little outside of my fields of study or knowledge. I thought that the papers I have respecting the waterways east of Lake Superior would be of interest, and perhaps the officials who prepared those papers for me, would be able to give you more valuable information than I could.

#### WATER POWERS IN CANADA.

*By Mr. Boyce:*

Q. Have you any information about the waterways in the north?—A. The information I have is entirely devoted to those waterways which I have touched upon, that is, the undeveloped waterways in western Canada. Now, on the question of water powers, I have taken some interest, because in the course of my official duties in the Department of the Interior, I have to look after the powers which are on Dominion lands. About a year ago, my assistant, Mr. Challies, engineer of my Branch, and I discussed the desirability of getting information on the water powers of Canada, and as a result we wrote letters to engineers in other parts of Canada who would probably be interested in the matter. It was our idea that we should get together what information we could on the whole subject of water powers in Canada. We judged from the class of inquiries that were coming to us that general information regarding the water powers of Canada was very much needed, and in correspondence with the engineers to whom we wrote, we found there did not appear to be any information of that kind. They all said they would be extremely pleased if they could get hold of such information. We have been studying it a little since.

When the conference was at Washington in February, or rather when the Canadian Commission was appointed to go down there, I had a very limited time within which to get together some information on the water-powers as well as on a number of

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other subjects. Consequently I do not pretend to say that this information is complete. I think it is very conservative, but it will give you some figures which, although incomplete, may surprise you. We have a summary of the total horse-power available from the different water-powers of Canada, and I think they are the minimum. In the Yukon we put it down at 170,000 horse-power; British Columbia, 2,065,500; Alberta, 1,144,000; Saskatchewan, 500,000; Manitoba, 504,000; North-west Territories, 600,000; Ontario, 3,129,168; Quebec, 17,075,939; New Brunswick, 150,000; Nova Scotia, 54,300, or a total of 25,692,907. Georgian Bay Canal powers would make an addition of 1,176,310. It may be pointed out that a large proportion of the power in Quebec is in the falls of the Hamilton river. It has been estimated at anything from 9,000,000 to 15,000,000. The available horse power at Niagara Falls is about 3,000,000.

*By Mr. Bédard:*

Q. Mr. Low's report with respect to Hamilton River Falls is 9,000,000?—A. Yes, but in another place it is estimated at as much as 15,000,000.

*By Hon. Mr. Fisher:*

Q. What do you estimate it at?—A. I think it is put down at 9,000,000.

Q. Then apart from that, there would be about 8,000,000 in Quebec?—A. Yes. Hamilton river is put down at 9,000,000.

Q. That leaves 8,000,000 in Quebec apart from Hamilton river?—A. Yes, and in New Brunswick 150,000. Now, I am assured by several of the men to whom I have shown these figures, that they are altogether too conservative. I impressed on the members of my staff that I wanted to be safe.

*By Mr. Magrath:*

Q. Did you put in 3,000,000 for Niagara Falls?—A. I could give you the figures for Niagara Falls. They are the figures of the Hydro-Electric Commission and they would give you the total on both sides of the line.

*By Mr. Bédard:*

Q. The Niagara Falls are not included in your estimate for Ontario?—A. I am not quite sure, but I think the Niagara power is limited to 425,000 by the Waterways Treaty. My assistant made a little calculation for me from those figures. He says that five pounds of coal per hour per horse-power equals 21.9 tons of coal per annum per horse-power (24 hours). These figures he got from the Ottawa Electric Railway.

*By the Chairman:*

Q. Will you repeat that please.—A. Five pounds of coal per hour per horse-power equals 21.9 tons of coal per annum per horse-power (24 hours). If you can convert my total of 25,692,907 of horse-power, minus the 486,887 which is in use, you get 25,206,020, and that is equal to 552,011,838 tons of coal per annum. I heard an address by Professor Adam Shortt the other night in Ottawa before the Ottawa branch of the Canadian Society of Civil Engineers. His subject was the conservation of the natural resources of Canada, but he devoted almost all his entire time to the discussion of the water-powers of Ontario and Quebec. He believes that in the course of time, although he says it may be a long way ahead, in the provinces of Ontario and Quebec, through the development of the water-powers, if properly developed and conserved, there will be a condition of affairs similar to that which has prevailed for many years in the north of England. The manufacturing of the world to a very considerable extent has been carried on there in England, and he pointed out that 150 or 200 years ago that district was a sheep walk. Coal had been known to be there for many years before it was used for manufacturing purposes, and he claims that with the powers we have in Ontario



and Quebec, we will in course of time see a similar development. He stated that we would have the manufacturing mainly on the continent of America carried on in that part of Canada and under very much better conditions than those under which the development had taken place in the north of England. Of course the conditions for employees, the conditions under which manufacturing is carried on are very much better in every way where the power is from water than where it is from coal. In giving you those figures I believe that they are very much within the mark, but they only emphasize the absolute necessity of getting some better information. I am not prepared to say how it can be got. For instance, from British Columbia we could only get a lump figure of about 2,000,000 horse-power. It was hardly more than a guess. In fact outside of the province of Ontario the information is very crude indeed as to any of those powers. I am certain from my discussion of the subject with engineers, that it would be of immense value to Canada if we had more precise information. Just one point more with regard to that. I have an extract from an address of Mr. S. R. Poulin, one of the engineers of the Transcontinental, delivered about a fortnight ago in Winnipeg. He says:

‘Although the question of operating the road by electricity has not yet been taken up, he had not the least doubt that as soon as the road opened the question of using electrical energy as the motive power for a large portion of the line would be made a matter of deep study. One reason for that belief was the long distance that fuel for the central portion of the road would have to be hauled, and another reason was the fact that magnificent water powers were to be found all along the line.

*By Mr. Boyce:*

Q. Are the Commissioners of the Transcontinental investigating the question of water powers along the line?—A. I am not able to say. Mr. Poulin, no doubt, had a great deal of information on which to base that statement, but what it is I do not know.

#### QUESTION OF FORESTS, FOREST FIRES, ETC.

Now, on the question of forests, I would ask you to look at the forestry map of the Dominion, prepared by the forestry officers of our department. There is no doubt that with regard to our forests, we are in a state of extreme ignorance. It is astonishing to find how little information there is available about our forests. The forestry officers have prepared that map from the best information they have, and I would particularly draw your attention to the northern part of it to show you how inaccurate I know it to be, and how deceptive it is as to the forests we have. But on this whole question of forestry the forestry officers of our department would be able, I think, to give the Committee much better information than I can. It is not my subject, although I have studied it. In connection with this, I had figures prepared for the conference at Washington, and the information was given to me that the estimates of forestry in Canada vary from 800,000,000 acres down to 100,000,000 acres. The Governor General used an estimate in addressing the Forestry Convention in Toronto of 354,000,000 acres, and I suppose that is about the best. That is from the latest available information. But there is no doubt that our forest area containing merchantable timber and pulp timber, is very much less than that of the United States. I would think that the statement was without doubt, from my reading of the subject, not in pulp timber alone, but in merchantable timber, our area is very much less than that of the United States. I was very much surprised to find in Washington that nearly every one I spoke to, seemed to look upon Canada as a storehouse of timber, and to think that there was no limit to it. The area containing merchantable timber is liable to be less rather than more than our estimate. Forests are unlike any of the other natural resources we have. They



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are likely to shrink on examination. That is my study of it. Now, you will see coloured there on the map on the third belt from the north, 'northern forests densely wooded.' There is no such area of densely wooded forests there. I would ask you to look at the map on the other side of the wall, which has been prepared in my office, that is, of the portion from Hudson Bay west to the Rocky Mountains. The idea of colouring that map was to show by way of the green colour what the probable value of the timber was, and I can tell you there was not a source of information that could be found in any quarter that we did not go through in order to get up that map. I have a report in detail covering 70 odd pages which that map was prepared to accompany. The lightest green shade on that map represents an area as to which we know absolutely nothing. It is unexplored.

*By Mr. Magrath:*

Q. If that light green colour is an unexplored area, which I know it to be, and if you have dense timber apparently to the east and west, are we not justified in assuming that the unexplored area also contains good timber?—A. I do not think so.

Q. If timber grows on either side, why should it not grow there? You have not reached the northern limit of the treeless area?—A. No, but as you go north in this country you find that the timber is very largely confined to the rivers and the immediate vicinity of rivers. We find that wherever travellers have gone, the report is that between rivers timber is of very little value.

Q. That is not due to climatic conditions or to inability to produce trees. It is probably due to fires or something of that sort?—A. As a general proposition valuable timber is found in the vicinity of rivers to a very great extent.

*By Mr. Fowke:*

Q. Is the country mostly rocky?—A. Oh, no, the soil of a large portion of that northern country is of the finest, but of course climatic conditions are against the growth of timber.

*By Mr. Carvell:*

Q. Would that remark as to the soil apply to the ridges as well as to the rivers?—A. It is a large country to generalize upon, but there is no question that the western part of that green covered area is generally covered by good soil. The eastern part of it is not, and timber is very small and of very little value. I do not like to use the term 'barren lands,' because it is unjust. It should be called the bare or treeless lands. It is far from being barren.

*By Mr. Magrath:*

Q. Looking at your other map, I understand that certain points are represented as wheat growing. If wheat grows all over that country, surely timber ought to grow?—A. I can only say to you that where there is no deep colour on that map we have no information. There is no exploration, but the remarks of the different explorers all point in the same direction, that when you leave the vicinity of the rivers, timber is of very much less value.

*By Hon. Mr. Fisher:*

Q. Of course, land between rivers is higher considerably than it is along the rivers, but is there any material difference in the height of land. Are the rivers in valleys or are they just slight depressions in the general table land?—A. I do not think generally they are very much below the general level. Of course, some portions of that country are covered by muskeg. It has been claimed that if those muskegs were drained, in fact it has been experienced, that timber grows.

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Q. But under the natural state of the muskeg there is practically no timber, and the large portion between rivers is muskeg?—A. Along the Canadian Northern line, I have been told that in the vicinity of the railway where ditches have drained the country, the trees show noticeable increase in growth, and that is very much more the case east of Winnipeg on the C. P. R. Where those muskegs have been drained, there is a remarkable difference in the tree close to the ditches from those further back, and I suppose the cold nature of the soil in those muskegs prevents the growth of trees. But I believe it is generally a fact that in our western country, the timber is largely confined to the rivers and to the vicinity of the rivers. I will ask you to again look at the statement on the map that that belt is densely wooded. It is certainly not all densely wooded. Now I have some information regarding northern British Columbia. I have been trying to find out everything I could about northern British Columbia.

*By Mr. Boyce :*

Q. Where was the information procured for that map?—A. It has been compiled from various sources. It is an enlargement of a map published by our department. I hope I am not finding any fault with anybody in connection with this matter. I am trying to find the truth. I am giving the result of my investigations so far as they have gone.

Q. I see it is marked densely wooded and the character of the trees is indicated.—A. I think that the trees described are correctly described so far as they go.

The CHAIRMAN.—Would it be correct to say that that tract has not been densely wooded at any time in the past, speaking generally?

Mr. MAGRATH.—I have penetrated into some of that country when I was surveying, and as Mr. Young says there is a great deal of muskeg in places. I found tamarack and a great deal of small timber as if it had been burned down and a new growth was coming up. I would say it is densely wooded but not with timber of commercial value, but you would not get 50 acres of it without scrub or timber of some kind on it.

Mr. YOUNG.—That is my point. I started out by speaking of the value of our merchantable timber, and that is why I say that these maps are deceptive. Now as to northern British Columbia. I will give you the result of our investigation :

‘The greater part of British Columbia is not so well timbered as is generally supposed. The large areas of the excellent timber for which British Columbia is famous are generally all south of the latitude of Bella Cola river (north of 52 degrees of north latitude). North of this there are only limited areas of good timber. Should you colour those areas reported good in dark green, and those reported poor or fair only a light green, you would find that the light green would cover the greater part of the country. It would include the valleys of the Chilcotin, Black Water, Nechaceo, Upper Salmon, Bulkley, Naas, Upper Skeena, Stikine and Taku. The forest in these valleys have generally been destroyed by fire. In the wet coast regions the timber should be good, as it is protected by reason of the humidity of the climate from the forest fires which have ruined the forests of the interior. Unfortunately, however, there is little or no good soil in this rugged mountain region capable of supporting very large trees. This statement is true of Dean and Gardner channels, and the islands along the coast. Only in the river valleys do we find any considerable area of forest land, as in the Bella Coola, Skeena or Kittimat Arms and around Fort Simpson. In the inland country there are only a few scattered areas which in British Columbia would be considered as of any value commercially. William Fleet Robertson, the provincial mineralogist for British Columbia, in his trip from Essington to Edmonton via the Skeena river, Babine and Stuart lakes and Parsnip river says:—‘Of such as is called timber on the coast there is none in the district travelled through. Such timber as there is, is spruce, hemlock, balsam, and jackpine. The best of it ranging from 12 to 24 inches in diameter and not tall for that diameter. Timber which would be

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even locally merchantable for lumber is scarce, the repeated forest fires have pretty thoroughly cleared out the greater portion of it, leaving only a few isolated patches of the older trees, while the subsequent growth has not as yet reached a size to make it of value for this purpose. Of these patches, probably the best is to the south of Babine lake towards its southeastern end, where there is a very fair body of spruce timber.' Further he says:—'There is an area of very fair spruce to the east of Me-Leod lake, but along the Parsnip river there is no timber fit for lumber.' In the Upper Fraser about where it makes its great turn to the southeast, there is no doubt much merchantable timber, as the climate is a moist one and the timber has been protected from fires.'

Then there is some reference to Queen Charlotte islands.

On this question of timber, the fact that stands out is the loss by fire. I don't think I can say anything more impressive than has been said hundreds of times by other people. But it seems to me the most extraordinary thing that a man has to consider about this country, is the rate at which our forests are being destroyed by fires. I have had a statement prepared for me by the Forestry Branch, of the great forest fires that have taken place in eastern Canada from 1825 on. In my study of the question of our northern forests, I have found the same thing. You will see brown patches in portions of that map which indicate points known to have been burned and it only represents a small part. I would just like to ask you to look for a moment at a book I have here entitled 'North American Fauna,' published in December last by the Bureau of Biological Survey at Washington. It is a biological investigation of the Athabaska and Mackenzie regions. There is a photograph of a tree on Great Bear lake; it is described as white spruce, near Leith point. The tree is nearly 2 feet in diameter, and was estimated to be at least 1,000 years old. Now, that is approaching the north limit of timber. The growth is not so slow as that further south, though very much slower than we are accustomed to in this part of Canada. When one reads of the destruction that is going on and has gone on in those northern forests, and when one remembers the loss that is involved in burned trees which will take 400 or 500 years to grow, it might easily be that the mineral development which I hope to see take place in that country, would become almost impossible, because of the lack of timber for mining purposes, for railway construction, and of course for the necessities of habitation. I think that one of the subjects worthy of great attention, if I might venture to say so, is the protecting of the northern forests from fire, and in fact the forests all over Canada. There is no question connected with forestry which seems to me to demand so much attention as the destruction of our forests by fire. I hope I am as enthusiastic a Canadian as any one in this room, and if I have ventured to say some things which seem to detract from the value of our forests as it is estimated by other people, I can only say that, in my opinion, we are deluding ourselves as to the condition of forests in Canada. And it is of tremendous importance that we should consider the question. The main point is protection from fire, and, in a lesser degree, the handling of our forests by more improved methods, and, of course, the reforestation of our forest denuded areas, where the land is not suitable for agriculture. I do not think there is anything else to tell the Committee at this stage, except perhaps that I might refer to the difficulty there is in getting information about this forest question in Canada. I do not know that I can offer any suggestions of value to the Committee about getting information in a clearer form. We have been holding forestry conventions for some years. They have done some good, but they have not accomplished all that they ought to have accomplished. If I might venture a suggestion, it seems to me that if this Committee could get the person who is the acknowledged expert in each province to come before the Committee not for the purpose of reading a paper as is done at conventions, but in order that the members of the Committee could cross-examine him and get from him what he knows, good results would follow. After getting that information as to each of the provinces, I think you would then have some valuable information about the whole country. I got one of our staff to go



down to New Brunswick and Nova Scotia, and he got a great deal more information than I have been able to get from other sources. I would also say that the gentleman who went down there, was met by the people who were only too pleased to be asked to give the information and were delighted at having an opportunity to help him.

*By Mr. Fowke:*

Q. Is it known that each province has an expert of that kind?—A. I do not think there is any question but that there is some person in each province, who has made a particular study of the question who will be acknowledged to be the man to go to. I might venture to say that I could give the Committee more valuable information in a detailed way about the northern country, if I were given more time to prepare it. I would not like to call myself an expert, but I have studied the subject and I am sure there are men in each province who could give you the information. I have been told that in the United States, the most effective method of awakening public interest has been by the publication at frequent intervals of bulletins showing the consumption of forest products. Nearly every person seems to be interested in reading these. I am not aware that we are collecting any such information in Canada or publishing it. If we were to take statistics of that kind and publish them at intervals, I think, it would interest people a great deal to know how much we are using of our forest products. There is just one point to which my attention has been drawn in connection with timber in western Canada. I have been told that on the Grand Trunk Pacific they imported recently 200,000 ties of southern yellow pine. The structures on the main line of the Canadian Pacific Railway west are mainly of British Columbia timber, and surely if we had valuable timber in our own west country it would have been used.

*By the Chairman:*

Q. The timber for the bridges of the Transcontinental, east of Quebec, were bought in British Columbia?—A. I have the statement from one of the officers of the Forestry Department that 200,000 ties were recently bought for the Grand Trunk Pacific Railway.

Q. Do you know what part of the line?—A. I cannot tell.

Mr. TOBIN.—The Grand Trunk has been importing ties into this country. We have had them in the eastern part of Quebec.

Mr. BOYCE.—The Canadian Northern has imported large numbers.

The CHAIRMAN.—They are paying 60 cents for ties in Saskatoon.

Mr. TOBIN.—What kind of timber?

The CHAIRMAN.—Jack pine or tamarack. Of course they do not pay that for spruce ties.

Mr. CARVELL.—They are paying 40 cents for spruce ties in New Brunswick to-day for the Grand Trunk Pacific.

Mr. TOBIN.—Down in the eastern townships you cannot get 25 cents for hemlock ties or cedar.

*By the Chairman:*

Q. Mr. Young, I think you are familiar with the nature of the country through which the Canadian Pacific Railway runs from North Bay to Port Arthur, having known it in the early years immediately after the road was built. What would you say so far as the timber was concerned?—A. I recall having gone over the line almost with the first train. I remember quite distinctly at one point turning to what was a lane. The right of way was merely a lane bordered on each side by magnificent forest trees. The point was near Biscotasing, now known as Bisco.



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Br Mr. BOYCE.—That is west of Chapleau?—A. I have often tried to find the place since, and I asked Dr. Judson Clarke, formerly of the Ontario Forest Service, about that timber, and he said there were traces of the fire that destroyed that timber all the way down to James bay.

Mr. BOYCE.—I beg pardon, Bisco is 60 miles east of Chapleau.

*By the Chairman:*

Q. What was the general character of the country all the way from Lake Nipissing to North Bay before the railway went in?

*By Mr. Young:*

Q. I cannot give any statement. I can only say that I can remember long stretches that were covered by splendid timber. I have a statement prepared by the Forestry Branch that:—

‘Along the line of the Canadian Pacific Railway from Sudbury to Port Arthur, much damage was done by fires during the construction of the railway, and in the vicinity of Dog Lake the timber was destroyed for 30 miles south of the track. At an earlier date, pine forests were destroyed west of Fort William for a long distance, which have been replaced by poplar now fully grown or cut by settlers and miners.’

*By Hon. Mr. Fisher:*

Q. I suppose some of that timber was cut and used for the railway?—A. Yes. This statement goes on:—

‘Fires of sixty years ago burned over thousands of square miles on each side of the International line at Hunters Island, and it is probable that the large tract west of Lac Des Milles Laes described in the reports of Captain Palliser and Professor Hind was destroyed about the same time. Much damage has also been done within the last fifteen years by fires on the Seine river and Rainy lake, the origin of which is blamed on mining prospectors. The fire of 1891 which swept along the Canadian Pacific Railroad for nearly 60 miles from Pogamasing Station to near Woman river, and a more recent one which burned over the same territory in 1896, and the entire shores of Biscotasing and Ramsay lakes and from the head waters of the Spanish and Mississaga river to near Flying Post north of the height of land, a distance of over 70 miles, Mr. Whitson says, alone devastated over a million and a quarter acres.’

That is from an address before the Ontario Land Surveyors’ Association last year.

*By Mr. Boyce:*

Q. What quantity was destroyed?—A. Over a million and a quarter acres. This whole paper on forest fires from 1825 would make any man think a good deal.

Q. Those fires are practically of recent occurrence?—A. Some of them. In 1825 there was one of the largest fires in Upper and Lower Canada and New Brunswick.

*By Mr. Molloy:*

Q. What would you suggest as being the best way of protecting the forests?—A. It is a very large subject. I have a good deal of information, but I think you should ask the forestry officers about it. I am rather out of my sphere in discussing forests at all.

The CHAIRMAN.—I think, gentlemen, that having heard Mr. Young we might at our next meeting ask Mr. Campbell, the chief of the Forestry Branch, to come. I would suggest that we ask him to have special information (first) about the forest reserves, and what conditions they are in for operating, then the question of fire protection, with special reference to the protection along the line of the Grand Trunk Pacific, and also along the line of the Canadian Pacific Railway where a great deal of damage has already been done by fire, and where the traveller can judge what is

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being done to prevent destruction. Travelling along from North Bay to Port Arthur there is a space that has been cleared, as a good many of you know, through travelling over it, of about 120 or 150 feet. Most of the area is covered by timber and dried grass just like tinder, and I do not see how it is possible to prevent fires so long as it remains in that condition. That area will never reforest itself unless protection is given. I would like to hear whether that is receiving any consideration. Then we could ask Mr. Campbell to speak generally. Is there any other particular subject on which any member of the Committee would like Mr. Campbell to prepare himself. **If there is it would be better that Mr. Campbell should know.**

Mr. BELAND.—There is the question of the cultivation of trees, afforestation and reforestation.

Mr. YOUNG.—A member of the Committee asked be what I thought might be done in the way of protecting forests from fire. I have an opinion as to something that might be done. I believe that this whole question of forest protection or the conservation of our resources of any kind can best be dealt with by publicity. We are not doing anything in that way in Canada compared to what is being done in the United States. When I was in Washington I was more impressed by what is going on in that way than by anything else I saw. They have a number of journalists in the employ of the forestry service who prepare newspaper stories from the information that the officers of the service supply, and these stories are given out. As the secretary of the Conservation Commission told me, 'When I speak, I speak through 4,000 newspapers.' He explained to me that if it was decided to endeavour to create an interest, say in the question of fires at a given time, they would cover the whole United States with special information on that subject or on any other subject they took up, and if they found that they were not producing sufficient results, they simply gave them more. That is how they are enlightening the public on that question in the United States. Take, for instance, a recent number of the 'Forest Quarterly,' published by our Forestry Branch. There is a story about the destruction of forests in the Crow's Nest Pass and if any one here has not read it, I would advise him to get a copy and read it. It is a most impressive thing.

Hon. Mr. FISHER.—It is appalling.

Mr. YOUNG.—Yes, it is appalling to read about it. It is well written and a very interesting publication, but how many people saw it? I venture to say, give them a live journalist, a man who is accustomed to writing every day and he would convert it into a story. I believe it has been done to some extent. It certainly has not reached the mass of the people and I believe more could be done to interest the people in this question in that way than in any other I know of.

Hon. Mr. FISHER.—Hear, hear.

The CHAIRMAN.—Are you posted with regard to the question of the water supply of the western prairie section?

Mr. YOUNG.—No, I think Mr. Campbell could give you very valuable information on that.

Mr. FOWKE.—Mr. Young spoke of a very interesting address recently delivered by Professor Adam Shortt. All of us know Professor Shortt speaks with accuracy, and I should like to move that at the proper time he be asked to address this Committee on the subject of the conservation of our natural resources.

Mr. YOUNG.—I have a pamphlet here which I think is very interesting. It is entitled 'Pulp and Paper Investigation Hearings' and is issued by the American Committee of the House of Representatives on pulp. It is the best collection of information on Canadian timber matters I have ever seen, and contains papers on the subject from all kinds of sources.

Mr. BELAND.—Is it evidence before the Ways and Means Committee?

Mr. YOUNG.—No, it is not evidence of witnesses, it is information collected while the Commission was in Canada.

The Committee adjourned to meet on Thursday, April 15.

**PART II.—WORK OF THE FORESTRY BRANCH.**

COMMITTEE ROOM No. 30,  
HOUSE OF COMMONS,

THURSDAY, April 15, 1909.

The Select Standing Committee on Forests, Waterways and Water-powers met at 10.30 a.m., the Chairman, Hon. Clifford Sifton, presiding.

The CHAIRMAN.—Gentlemen, Mr. R. H. Campbell, who is Chief of the Forestry Branch, has been called to give evidence to us to-day, and he suggests that we should take up the work of the Forestry Branch under the following heads: (1) Fire-ranging and protection; (2) Forest reserves; (3) Timber surveys; (4) Timber sales; (5) Tree planting on farms, and (6) Forest statistics and publications. That strikes me as a very suitable method of dividing the work, and if it is agreeable to the Committee, Mr. Campbell will proceed under that arrangement.

Mr. R. H. CAMPBELL, Superintendent of Forestry: Mr. Chairman and gentlemen, the first division of the subject is fire-ranging, but if you will allow me, I would just like, before starting on the consideration of that branch of our work, to make a comparison between ourselves and the United States service, in order that if we have not accomplished as much in regard to forestry work as has been done in the United States, you will see the difference there is between us and the reason why we have not been able to do as much in that direction as they have. The Forestry Branch of the Department of the Interior was established in 1899 by the appointment of Mr. E. Stewart as Superintendent of Forestry. Mr. Stewart continued in office until 1st of March, 1907, when he was succeeded by the present superintendent. We have been working along since the establishment of the branch doing what we can, but we have only a permanent staff of some forty people, compared with the United States forest service, which was established in 1876, and which has a staff of over 2,000, including 300 technical men, with an appropriation of \$4,640,000, as against our appropriation of \$100,000. You will see from these statistics that they have an opportunity for getting at things definitely in a way that we of the Canadian service cannot as yet. Not only is the United States forest service well organized, but they have completed the surveys on all the federal forest reserves, and besides that, a number of states have completed surveys, altogether 23 states have completed their surveys, and 14 states have partially completed them, so that they are in a better position to know the exact condition of their resources than we can possibly be in Canada at the present time. None of the provinces have made any surveys of their forest reserves; the only attempt so far being that which was made by Ontario in 1900, when they sent a number of parties up through the north country for that purpose. In the Dominion territory, we have not been able to make any accurate survey except in the forest reserves, where we have something like ten million acres, and have surveyed only about a million and a quarter acres.

When the Forest service was established here, the first duty which impressed itself, was the protection of the timber under the administration of the Department of the Interior, which is located in the northern parts of the provinces of Manitoba, Saskatchewan and Alberta, and in the districts to the north of those provinces, and the two tracts in the province of British Columbia known as the railway belt, and the Peace River district. Previous to the establishment of the Forestry Branch, the



Dominion Government had not established a fire-ranging force for the protection of the forests. Fire rangers were first appointed in 1901, the number appointed in that year being 17.

The system adopted is to have the fire rangers act under the instruction of a district forest ranger, who is a permanent officer. The district ranger instructs the fire rangers when to begin their duties, the tracts they are to patrol, the reports they are to make, and the time when they are to cease the patrol. Fire rangers are required to keep a daily diary showing the routes travelled by them, and giving information in regard to the timber, fires, prosecutions under the Fire Act, and other matters of interest. The fire rangers are paid monthly, on accounts certified by the district forest ranger and accompanied by the monthly diary. During the first year, rangers were employed in Manitoba, Northern Saskatchewan, in Crow's Nest Pass, in Alberta, and in the railway belt of British Columbia. In 1903, the patrol was extended to Calgary and Edmonton. In 1907, a patrol was established along the Athabasca and Lesser Slave rivers, and we put another ranger on the Peace River in 1908. In 1908 a patrol was also made along part of the Churchill River in northern Saskatchewan, and in the district where the Hudson Bay Railway is to be constructed beyond the present extension to the Pas. There was excitement over a mineral find around Lac Laronge, near the Churchill River, which made it absolutely necessary that we should do something in there, and I sent a man in last summer.

The number of fire rangers employed during the year 1908 was 82, divided in the different districts as follows:—Prince Albert, 14; Battleford, 1; Edmonton, 20; eastern slope of Rocky Mountains, 12; British Columbia, 30. A special patrol was established along the line of construction of the Grand Trunk Pacific Railway west of Edmonton, with the result that no fires of consequence occurred. One-half of the cost of this service within five miles of the line of construction was, as provided in the Forest Reserves Act, charged to the railway company, and has been paid. The rangers reported that the company and their contractors were observing the regulations in regard to the disposal of the debris of clearing operations, and were taking all precautions against fire. A chief ranger has been sent out this spring to the Leavings of the Macleod River to manage the patrol from that point. Last year, the patrol was managed from Edmonton, rangers being sent out by the chief ranger, but it was found rather awkward working from Edmonton. The chief ranger will have as many rangers as necessity calls for, probably nine or ten, under him, and they will work from that point along the line of the railway. We hope in that way, with the assistance of the railway company, and with the contractors taking proper care, that we will be able to prevent any serious fires occurring in that district. The measures we have taken will, I think, be adequate to prevent loss at that point.

The greatest difficulties in the protection of forests from fires occur along the lines of railway. This is partly due to the construction and operation of the railways, and partly to the increased travel resulting therefrom. The routes of travel are the danger zones. The Fire Acts and the Regulation of the Dominion Railway Commission provide that locomotives shall be properly equipped with spark arresters and other means to prevent the escape of fire. In order that the fire rangers may have fuller authority to examine locomotives believed to be deficient in equipment, the Railway Commission has been asked to have at least the chief rangers authorized to act as agents of the Commission, so that they may have full powers to deal with any difficulty that may arise.

Notices giving the chief provisions of the Fire Acts are posted up by the fire rangers along the routes of travel. These are printed in several different languages. I might just show you (exhibits notice); these are the notices that we have posted up all over that country. They give many of the provisions of the Fire Acts as applied in the different districts, and they are posted in British Columbia, the Territories, and the provinces of Saskatchewan, Alberta and Manitoba. As I stated, they are printed in different languages, this (exhibiting notices) are in the Indian syllabic,



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that is in the Cree language, and this in the Chipewyan, we obtained the translation from two Indian missionaries. The notices printed in Cree and Chipewyan have been distributed in the northern districts. There are a number of points at which we can reach the Indians very well in that northern country. They have been educated at the missions and can read these notices in the syllabic. My proposal was to reach the Indians at the several missions. For example, in the district north of Prince Albert, there is an English Church mission. I have already communicated with the Bishop for this district, and he is willing to assist us in approaching the Indians and trying to get them interested in forest protection. There is a Roman Catholic mission at Pelican Lake and another at Split Lake, where the Indians meet for treaty purposes. There are several other places down the Mackenzie River that we hope to be able to reach.

## FIRE RANGING.

In regard to fires last year 251 fires on Dominion territory were reported, most of which were extinguished without loss. The most serious fire was in the Spray River valley, province of Alberta, which was probably caused by tourists, and destroyed 4,000,000 feet board measure. Take this line here, for instance, on the Athabasca River. Here is a ranger going down along the river from Athabasca Landing to Fort McMurray, and up the Clearawter River. In this district there are 200 or more miles to travel. It is simply impossible that he can be everywhere where fires occur; he may be a hundred miles away from a fire. These men have done good work, and the reports that we have had from the man who is in charge, Inspector Conroy, of the Indian Department, are very satisfactory. I have also heard satisfactory reports from others. Count Von Hammerstein, whom perhaps most of you know, and who has interests of some extent on the Athabasca, says that the work along that river has been very good indeed. In the Lesser Slave Lake district, from the reports the fire rangers have given us, they have been able to put out fires that have burned for more than a year. Fires often get down into the muskegs and burn through the winter into the next year. The fire rangers have put out some of these old fires last summer.

If we are going to cover the whole district thoroughly, and do the work properly, we shall need to have a larger number of rangers. The main danger is along the routes of travel. These are the main routes (indicating on the map) that we are trying to cover now, and this is where the chief danger lies. Some fires occur from lightening, but as far as I have been able to gather any evidence, they are a comparatively small number. It is almost entirely where men go in, that the danger exists, and if we can guard the routes of travel we can cope with the worst difficulty that confronts us.

*By the Chairman:*

Q. What amount is expended on fire protection at present?—A. Last year the sum of \$45,000 was expended on the fire ranging service.

Q. How much money do you think you ought to have for this purpose?—A. We ought to have at least \$50,000 for the northern district, and another \$50,000 for the work in the remainder of our territory in order to begin to do it in a right way. I think that we should increase the number of rangers. We ought to put them along the upper part of the Athabasca River. This year, I understand, supplies are being taken in for the Grand Trunk Pacific Railway up this way, and a large number of freighters are going along there (indicating on map). For that reason it is going to be a little dangerous this year, and we must watch that place. We ought to have the fire ranging extended down the Great Slave River. There is good timber along the river on both sides, and we ought to have that better protected. The ranger from the

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Athabasca River has gone down half way, but there ought to be a ranger for the Great Slave River in addition.

*By Mr. Boyce:*

Q. What extent of territory do you allot to a fire ranger?—A. We allot the territory in the best way we can. In the more settled districts where there are forest reserves, a ranger will not have more than 30 miles by distance. That would be about three or four hundred square miles he would have to cover. When we get up into the north country, we have to do the best we can.

Q. The fire ranger follows the streams, does he?—A. Yes, he follows the streams.

*By Mr. Fowke:*

Q. What sort of service do you expect of him as a preventive officer and one who has to extinguish fires?—A. Of course, he posts up notices. He is supposed to warn everybody he meets about fires, and explain to them the provisions of the fire laws, tell them the penalties there are for setting out fires and letting them run carelessly. He warns these people to put the fires out before they leave their camping place and then, if he finds that a fire has been left behind and allowed to run or left behind unextinguished, he may have the man arrested. At Dunvegan on the Peace River, our ranger summoned a man for leaving a fire behind him, and he was fined \$25. That was the first experience of that kind which they had in the district, and I think it has had a most salutary effect. The people there understand now that a law exists forbidding the practice, and that the law is going to be enforced.

*By Mr. Boyce:*

Q. These fire rangers have no summary powers?—A. They summon offenders before a magistrate, that is all they can do.

*By Hon. Mr. Fisher:*

Q. Have they not authority to call upon other people to help them put out a fire that is running?—A. Yes, they have. When a fire is beyond a fire ranger's control, he has authority to call upon anybody who is in the neighbourhood to help him.

Q. And it is the duty of the people thus called to go out to the fire ranger's assistance?—A. Yes, it is under the Provincial Act.

*By Mr. Fowke:*

Q. What method is pursued to put out the fire?—A. It depends, of course, a good deal upon the character of the fire. In the case of a ground fire if water is available, they can use it to extinguish the fire, but as a rule they cannot get water. Generally, the simplest way to handle such a fire is to dig around it and throw the earth back upon it. That is when it is a ground fire. That method is used quite successfully when the fire is burning down into the debris of the forest floor, or into muskeg or swamp, it is very difficult to extinguish even with water, and the only sure method is to dig around the fire. In the case of the fires I spoke of that were burning for a year, putting water on would have been no good at all. What the fire rangers had to do was to dig right around the fire and get the vegetable matter cleaned right out, so that the fire could not work through underneath.

*By Hon. Mr. Fisher:*

Q. Would that be in the woods?—A. It is partly in the woods.

Q. It would be an awful job to dig around a fire in the woods?—A. Yes, but that is what you have got to do. I assisted in doing that myself in British Columbia last summer, and that is the only way we can get it cleaned out. In order to keep the fire from going into the duff on the forest floor, you have to dig down into the earth and

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get it cleaned out. If the fire ascends into the trees there is no method that will stop it except the wind changes. In that case, you may so arrange it that the wind will blow back the flame over the burned area.

Q. A single fire ranger could not do much digging around the fire?—A. No, not if the fire got away from him and extended over a large area. In such a case the fire ranger is helpless. While good work is being accomplished by means of the fire ranging service, and while it is effective to a very large extent, if a fire once gets away from the ranger, he is almost helpless. He must extinguish the fire at the beginning. If he does not, it is a pretty difficult matter to do anything with it. We had one fire in Alberta, and two in British Columbia that the fire rangers did not succeed in checking at the start, and so they got out of hand. We spent a large amount of money trying to check those fires, but we could not do very much but just try to hold them in the line in which they were travelling until they reached the limit. Of course, when the wind changed, we could work back on them somewhat.

*By the Chairman:*

Q. Were any steps taken to prosecute the persons responsible for starting those fires?—A. The trouble is to get the evidence to convict them. We may be fairly sure that a fire has been started by somebody in a particular place, but the trouble is to get evidence that will convict the offender. The guilty parties do not as a rule proclaim their offence very loudly, and it is one of the most difficult things to get evidence that will convince a magistrate that the person charged is the guilty party. Nevertheless, so far as we can, we try to follow the offenders up.

I think we require a better supervision, so that the control will be carried out effectively, economically and in the proper places. In British Columbia, the supervision is good, but there should be a chief inspector of fire ranging for the northern district. The Crown Timber Agent at New Westminster, B.C., has general supervision over the timber in the railway belt in that province, and he looks after things pretty well. But in the northern country, we have a divided jurisdiction, and some of our men are not experienced. A good experienced man in general charge who could communicate with the rangers better, give them instructions and see that they attended to business, would, I think, improve the service considerably. I think it would be better to change the men from some of the districts we are patrolling, and put them into other districts, because those at present patrolled have become settled, and it is really not our business to undertake the duty now. I think that an inspector could do considerable to get the work into better shape in many ways. We are trying to improve the system of reporting. The rangers a couple of years ago, used to send in their diaries every year. Now we require them to report every month, where it is possible to do so, so that we can keep a better check on them. The chief ranger is supposed to look over the men's diaries and see what they are doing. In this way we can check their work, and ascertain whether they are attending to business. You will understand, however, that when a fire ranger goes out he cannot be followed, and unless he is a good man and thoroughly interested in his work, he might be careless and nobody know anything about it. The system of reporting monthly enables better supervision to be exercised. We try to follow them up carefully, but to ensure the best results, considerable supervision is needed.

*By Hon. Mr. Fisher:*

Q. Do your chief rangers supervise and inspect, is that their business?—A. Yes, that is their business. They have no special district assigned to them to range for themselves, but they are supposed to go out and see that these men are attending to business.

Q. They are held responsible for the men in their district?—A. Yes.



## FIRE PROTECTION ALONG LINES OF RAILWAYS.

*By the Chairman:*

Q. What is your arrangement in regard to the protection of the forest where railways are being constructed?—A. Where railways are being constructed?

Q. Yes, have you got any way of making the contractors or the railway company responsible?—A. Yes.

Q. When a railway is being constructed, do you inspect and watch the territory through which it is being built?—A. Yes. In the first place they have to properly clean their right of way as required by the Railway Act, and by the regulations of the Railway Commission.

*By Hon. Mr. Fisher:*

Q. They have to destroy the debris?—A. Yes.

*By the Chairman:*

Q. Is all combustible material required to be removed?—A. Yes, or disposed of in some way.

Q. That is a comparatively recent provision?—A. Yes. Along the route of the Grand Trunk Pacific Railway, which is the only railway that has been constructed in the afforested territory, we sent our rangers, and the reports from them show that the company and their contractors are attending pretty carefully to this requirement. According to these reports, the contractors were cleaning up the right of way very well, and burning the debris on it. I wrote to the Grand Trunk Pacific Company and asked them to see that their engineers were instructed to be careful in that regard, and that their contractors were instructed to observe the regulations. Of course, in order to make sure that proper precautions are taken, we will have to have our own inspector on the ground, and that is why I asked particularly that we should have a man sent out on the Macleod River this year to have general supervision until construction is finished. I think that in the case of all the lines that are being constructed north, from Edmonton towards Hudson Bay, and at other points, we will require special men to look after each one of them, if we are going to prevent serious fires occurring. Our practice is to charge up half the cost for five miles on each side of the line being constructed, to the railway company.

Q. Does that arrangement apply when construction is going on?—A. Yes, while construction is going on. The Grand Trunk Pacific Company have already paid half the cost along their line west of Edmonton for which we billed them some little time ago.

The patrol should be extended, as I have just pointed out, to do anything at all reasonable in that northern district. It should go up the Athabasca and down the Peace River, and we should probably have a ranger down on the Mackenzie; at least there should be somebody to go and negotiate with the Indians. The only people up there are Indians and Hudson Bay employees, and I think we might perhaps get a man who is in the Hudson Bay Company's service. In any event, we shall have to have somebody who lives in there, because it is a difficult country to reach. It takes all the season to go in and come out. Probably it is 600 miles north of Edmonton. Hudson Bay boats are the only means of travel, and they just enter the country and come out again once in the year. We should have a fire ranger at Ile a la Crosse to communicate with the patrol from the Athabasca and from the Prince Albert district, and we ought to have the district around Lake Winnipeg and northward towards Hudson Bay patrolled. If the construction of the Hudson Bay Railway is proceeded with immediately, a number of men will be required at once in that territory. We should do something to patrol that district, and find out what is required; we have done nothing yet to protect it.

Along railway lines there is one trouble that occurs and that is in regard to the burning of the ties. The Canadian Northern Railway in the northern part of Sas-



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katchewan have required their men to gather ties that are to be burned at the sectional points, and burn them there instead of disposing of them at places here and there along the line of railway. These fires are then watched at the sectional points, and are not occurring indiscriminately over the line. When ties are burned at random with no person present to watch them, serious fires often occur. I must say for the Canadian Northern that on their line in northern Saskatchewan they have looked after matters pretty well themselves.

I might mention the equipment that is required for the locomotives. I have a few blue prints here that show the style of netting that is placed on the locomotives to prevent the escape of sparks. In the old diamond stack, the netting was at the top of the stack. In most of the engines that are used to-day, there is an extension front which is a receptacle for cinders. The cinders come in through the boiler pipes, are deflected downward by the baffle plate, and are then thrown up against a netting, and anything that is larger than the opening of the mesh is thrown back. That is the actual size of the mesh that is required to be used under the regulations of the Railway Commission, a No. 10 gauge wire. There have been various attempts to get some sort of apparatus on the top of the smokestack that would stop the sparks from getting out, but I do not think that any of them has been very successful.

I think that on the whole, the officials of the railway company are anxious that care should be taken, that these locomotives should be kept in proper order, but, of course, there are difficulties in steaming which certainly must affect the engine to a certain extent on up grades. And then screens will get out of order; they get worn out. With the locomotives such as we have now, a screen even with wire of that gauge will not last very long. Therefore, unless they are carefully looked after, they are almost certain to throw fire—in fact, we know from the evidence of our rangers that there is trouble along every line of railway just in that way, the throwing of fire from locomotives. For that reason, I suggest that our rangers should be authorized to act as agents of the Railway Commission. Let me give you an example of how that will work. One of our rangers sees a locomotive going along that is throwing fire. That locomotive may or may not be in condition. The probability is that it is not in condition, but he cannot do anything about it. The locomotive goes on to the sectional point, and if we could so arrange it that our men at the sectional point had authority from the Railway Commission to go in and examine any locomotive at any time he liked, the ranger who might observe a locomotive throwing fire could telegraph to his colleague at the sectional point, and have that locomotive examined as soon as it got in. In that way we could follow the railway companies up, and be sure that their locomotives were in order all the time. Unless the matter is followed up, we will certainly find they will not be in the best order.

*By Mr. Molloy:*

Q. Do you not think that in the case of a prosecution the fire rangers, or at least some of them, should have the power to act as magistrates. The distances they have to convey witnesses in some cases is very great and the journey is very expensive. If the fire ranger had the power of a magistrate, it would save time and save expense?

—A. It certainly would. It would assist the men considerably if they had that power. But in the north country, where we have not got the service thoroughly organized, our rangers are only employed temporarily during the dangerous season, and it would give a man large powers to appoint him a magistrate. He would not only have a right to arrest offenders, but to try them and everything else.

*By Hon. Mr. Fisher:*

Q. Would there be any use in having your chief rangers appointed magistrates?

—A. I think the chief rangers ought to be magistrates, at least for that purpose.

Q. They would have to be appointed by the provincial authorities in each province?—A. Yes.

Q. About how large an extent of country do you think a fire ranger can properly cover to be effective?—A. Of course, it depends a little upon the danger and the facilities for getting around. I really think that under ordinary circumstances, excepting, of course, in a very dry season, that a man ought to be able to patrol, say a hundred square miles and do it effectively. But I do not think we can get down to as small an area as that generally. In the case of forest reserves, where we can work most effectively, if a man has an average of 30 or 40 miles along the front of the reserve, and then a depth back into it of perhaps 30 miles or so, he may be able to handle it in ordinary times. In a dangerous season, or when special circumstances present themselves, it would be necessary to give him assistance.

*By the Chairman:*

Q. What is the position, Mr. Campbell, along the lines of railway, not going through Dominion territory, but provincial territory, that have been constructed? For instance, on the Canadian Pacific line between here and Port Arthur, have you anything to do with that? Do you take any account of it at all?—A. No, we have no authority or responsibility in connection with that at all, that is as far as our Branch is concerned.

Q. You have no duty resting on you to make any recommendations about it?—A. I would not feel that we had. I think that Ontario would consider that we were probably going beyond our duty a little, if we did attempt to make any recommendation in regard to it. The proposals that I make for our own territory, I think, apply—

Q. Yes, but the railway has a Dominion charter and the province of Ontario has no jurisdiction over the right of way of the railway. I was up through that country a few days ago, and one cannot help noticing that for hundreds of miles the right of way is loaded with what is neither more nor less than tinder. It is heaped with dry poles, and partially decayed trees, young trees. The fire has run through them and killed the roots of these trees, and they have tumbled over each other and accumulated. It is just like a pile of tinder and a spark thrown on the pile would send a fire through the whole country. I do not suppose the province of Ontario has jurisdiction to deal with it at all, and no doubt it would be beyond the duty of the Forestry Branch to make any regulations; but it seems to me that it might be very well considered that you should give it some attention, and ascertain what can be done to improve the condition of affairs, because a spark from an engine anywhere along that line of railway on a dry day in the fall would make a fire that a hundred men could not put out?—A. Yes, I noticed particularly when I was coming down last fall along that line, that there were fires burning everywhere.

Q. Where was that?—A. Along the line from Port Arthur to Ottawa.

Q. You say there were fires along the line?—A. There were fires running out from the line of railway, and it was quite clear that they had started from the railway itself, because the line of fire invariably ran away from the line of railway. Consequently, I think locomotives were responsible for starting these fires to a very great extent. One experience which I had myself demonstrates that quite clearly. The Canadian Pacific Railway had several trestles burned last summer up in that district, and as a general rule the newspaper reports said it was forest fires that did it. When I was coming down the line, I unfortunately had to stop off for a while at a small station just this side of Mattawa. We were not in the station more than half an hour when a boy come along and said he had just put out a fire on the trestle. That trestle was within half a mile of the station, and the locomotive of our own train, which had just passed over it, must unquestionably have started the fire; I don't think there is any doubt about it.

Q. I have observed for years, on the stretch of line referred to, that there is an accumulation of stuff which amounts to nothing more or less than tinder. It is the most combustible stuff which can be imagined, consisting of young spruce trees which

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had been killed by fire and have tumbled over and are there heaped up. There is also an accumulation of dry grass. Most of the water, that formerly lay there, has been carried off by the drains that have been built alongside the railway, and the mass of vegetation there has become absolutely dry. It seems to me that there will be absolutely no possibility of protecting that country from fire, unless in some way, that combustible material is removed from the right of way within a reasonable distance on both sides of the track. It seems to me that possibly the better way to get rid of this material would be to burn it. What do you think of that idea?—A. Yes, the best way to clear that right of way is to burn the material. Burning, of course, has to be done very carefully; otherwise it may do more damage than good. That is one reason why I always feel a little uncertain about recommending the use of fire, because, while a good thing, if it is handled carelessly, it becomes very dangerous.

*By Hon. Mr. Fisher:*

Q. Could not that burning take place in the spring and fall when there is moisture about? Although it would be a little more difficult to burn the debris then, there would be no danger of the fire spreading?—A. It would be better to do it at some time like that. I think the best thing, if we had a mature forest, would be for that forest to come up to the right of way, and have the right of way clear. I do not think that it would be advisable to try and clear back.

*By the Chairman:*

Q. The clearing now is pretty wide, do you know how wide?—A. I do not know exactly.

Q. It is much wider than it used to be up there?—A. There is a certain danger involved in dealing with that. If you have mature forests standing, there is less danger of a fire starting than when you have debris.

*By Mr. Magrath:*

Q. The fire is then confined to the right of way, is it not?—A. Yes.

MR. MAGRATH.—The right of way as a rule is about 99 feet. It appears to me the same difficulty exists here that was met with in the Territories when we had prairie fires there. The legislatures compelled the railway companies to make fire guards on the right of way, which would then be only about 50 feet on either side, so that if a locomotive throws fire, the wind is likely to carry it outside of the right of way. So it appears to me that if the fire gets away at all, the wind is going to carry that fire.

*By the Chairman:*

Q. As a matter of fact, what is the usual thing that happens in case of fire being thrown from the smokestack of a locomotive? Does it fall a considerable distance away or close up?—A. The sparks fall fairly close, they do not go very far, as a rule.

*By Hon. Mr. Fisher:*

Q. They often carry more than 50 feet?—A. A spark will carry more than 50 feet, but not very much farther, that is, a spark that would be likely to set a fire. The matter has not been very carefully investigated. Some investigation has been made in the adjoining republic by one of the universities in regard to the question as to how far sparks would carry, and what damage they would do after they fell. They did not find that the sparks that carry for any long distance seemed likely to start a fire, but those that fell fairly close to the train would be likely to have that effect.

*By Mr. Magrath:*

Q. In the case of the prairie fires in the west, the only solution was making the guards about 300 feet from the railway. That is done now, and we have not suffered



to nearly the same extent?—A. Yes, you have an open country there and a strong wind on the prairie.

*By Mr. Molloy:*

Q. A fire taking place along a line of railway does, as a rule, come pretty close to the right of way even on the prairie?—A. As a rule it comes in pretty close. That is the conclusion come to as far as any investigation has been made.

Hon. Mr. FISHER.—It seems to me, Mr. Chairman, that in regard to cleaning up the right of way, the proper course would be for this Committee to make a recommendation to the Railway Commission to issue an order if we wish to take any practical action.

The CHAIRMAN.—That is why I am trying to get at the information. I regard the question of the protection of the forest from fire through these northern districts like those, for instance, around Port Arthur on the Canadian Pacific Railway as one of the most important things that can be considered. That whole country has been burned. It used to be a magnificent forest; there was an immense amount of valuable timber there, but there is practically none now, after you get past North Bay. You will find patches here and there, but the great stretches of timber that used to exist through that country do not now exist at all; they are all burned up. Now the whole country is reforesting itself. If you are travelling on the Canadian Pacific Railway and look out of the windows of the car, you will see that for miles the jack pines are growing. In mile after mile of that country they are standing 12 or 15 feet high. If they can be protected and fire kept out of that territory effectively, in twenty years that will be a forest country again, because the jack pine grows very fast and the country is very well adapted for it. While the jack pine is not as good timber as the white pine, it is very valuable and will be getting more valuable as time goes on. For instance, take the question of railway ties. They are worth from 50 to 60 cents, and the jack pine makes a good railway tie. The Ontario government is doing a good deal, but what I am trying to get at—and I think it is accurate and represents the real fact—is this: that to a certain extent the thing is falling between two stools. The Canadian Pacific Railway is a Dominion railway over which the province of Ontario has no jurisdiction as to its operation or right of way. But it is an Ontario forest, and Mr. Campbell's idea was that because of that fact he had nothing to do with it. When Ontario comes to deal with the matter, its jurisdiction is also limited by the fact that it cannot control the railway. Therefore, I think we ought to get at the true facts of the case, and see whether they cannot be effectively dealt with so as to strengthen the hands of the province of Ontario in the matter of forest protection.

Hon. Mr. FISHER.—My suggested idea was this, that as affects the right of way, the matter comes under the jurisdiction of the Railway Commission, and that body can issue an order in regard to the clearing up of the right of way of railroads as well as they can issue an order in regard to anything else under the Railway Act. Therefore, if this Committee were to pass a resolution, and it should pass the House in a report from us, that would be an instruction to the Commission to take certain steps. I am not sure whether that procedure would be the best, but that is what strikes me.

The CHAIRMAN.—I think the Committee would have to get the facts pretty fully before we committed ourselves to passing a resolution.

Hon. Mr. FISHER.—Yes.

The CHAIRMAN.—We ought to hear, I think, what the province of Ontario is doing. We have had a very much improved fire ranging service of late, and they have improved their fire ranging service very much indeed. We should hear what their people are doing, and I have no doubt their chief ranger would be glad to come and discuss the matter with the Committee, the object being to strengthen the hands of the provincial authorities, and see if we can do something to make the conditions better.



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Hon. Mr. FISHER.—If the right of way of the railroad is outside of their jurisdiction and under the control of the Dominion Parliament, we would have to take action through the latter body.

The CHAIRMAN.—No doubt.

Mr. CAMPBELL.—The question of supervision arises after you have settled that of jurisdiction. The trouble is that we have often had good laws, but we have not had any way of enforcing them properly.

The CHAIRMAN.—I have no doubt it would be a matter for the Forestry Department of Ontario to have supervision of the work, because it affects directly their territory and the forests which they own; but it would be a very proper thing for the Forestry Branch of this Government to inform itself as to the facts and so assist the Railway Commission in dealing with the question.

Hon. Mr. FISHER.—This Committee and the Railway Commission would have to look to our Forestry Branch for the information and the arguments on which to base an order of that kind.

*By Mr. Magrath:*

Q. As to forest ranging, while the expenditure for that work is so very limited, is it desirable to expend a considerable portion of that money in forest ranging in the far interior, where there is a very small proportion of people going and leaving the territory in which railways are being constructed practically unattended to? I mean to say, take our whole forestry force, if they were put to work upon railways that are being constructed in the west, along those railways where there is the very greatest possible danger from fire, is it not probable that more could be done towards saving our timber?—A. There is no doubt, the greatest danger arises when a railway goes through the country. That has been our experience all the time. We had a little examination made of the Crow's Nest district last summer, and the result went to show that some of the worst fires we had in that valley occurred when the railway went through. We lost a lot of timber there. There is no question whatever that the greatest danger exists along the line of railways.

Q. Especially during construction?—A. Yes, where construction is going on, and that ought to be watched. If we do not watch that, there is no use in our doing anything else. At the same time, it will not do for us to let the rest of the country go by any means. If the Government are going to carry out this work effectively they have got to spend a little more money; that is all there is to it. At the same time, it will not do for us to take the men off the districts in the north. Look at the extent of the north country. If we did not have our rangers patrolling it, we would almost certainly have destructive fires there. Our rangers have done good work within the last few years; we have not really had any bad fires on Dominion territory, except the two or three that I mentioned that got away from us and destroyed considerable areas of timber. Unless we watch these routes of travel, serious fires will occur, and we cannot afford to lose any timber now.

Q. Are we not likely to lose more timber along the railways that are being constructed?—A. Yes.

Q. Then surely we should watch that territory more closely than we should the interior, where there is a very small population going in that is likely to set out fires?—A. Yes, but still from my point of view it is a bad thing to leave the other part of the country unprotected. We ought to provide for both. I urge as strongly as possible that wherever lines of construction are going on we ought to put a special force on. That ought to be done in the case of every line that is being constructed into that northern district where there is any forest at all; but I do not think that in order to do so, we should remove the men from the other routes, because we have very few men there considering the extent of the country they have to cover. If we do less than we are doing now, we might as well frankly admit that we are not doing anything, and not make the pretense of fire ranging.

*By Mr. Molloy:*

Q. How many men did you say are now employed by the Dominion government in fire ranging?—A. We have 82 men employed as fire rangers.

Q. In the north country alone?—A. No, in the north country we had last year altogether 35.

Q. Can you tell us approximately how many miles each man has to travel per month in the performance of his duties?—A. If you take the country along the Athabasca River, the fire ranger there has a patrol of about 200 miles, that is, he has to go down and come back along that river. The man in the district along the line of the Grand Trunk Pacific near Edmonton has to cover about 50 or 60 miles.

Q. Back and forth?—A. Yes.

Q. Would that be too much for one man?—A. It is rather too much. It is a question of getting enough money to handle the problem. If we had money enough we could put on sufficient men to perform the work efficiently.

*By Mr. Magrath:*

Q. I judge that the work of the fire rangers is not so much preventive as it is educative, teaching the people not to set out fires?—A. That is one of the main things. One of the best factors in their work is getting the people interested in the question of saving the timber and training them to put their fires out, and when they are using a fire to handle it carefully. That is one of the best pieces of work that the fire rangers do, and I think that the result along the lines patrolled by them in preventing fires has been accomplished largely by the fact that people are much more careful and work directly with the rangers in extinguishing fires. In fact, I know that is the case.

*By Mr. Perley:*

Q. What is being done to prevent fires along the Transcontinental Railway where there is timber, is anything being done in that line?—A. That is under the provincial authorities, we have not done anything.

Q. The Dominion Government is building this railway through the northern parts of Ontario and Quebec, and no one else can protect that timber. It is up to the Dominion Government to act?—A. Of course, matters in connection with that would come under the Transcontinental Railway Commission. I do not think that we as a Forestry Branch would have any jurisdiction in the matter.

Q. Have you any information on the subject? Do you know whether or not anything is being done in that regard?—A. Yes, in the first place, the Commission make regulations in connection with the arrangements with their contractors in regard to this matter. This is a provision which is embodied in their specifications in regard to damage by fire:

‘Special precautions must be taken by the contractor at his own expense to prevent fire; and the labourers in his employ shall be subject to the direction of the engineer in the event of their aid being required by the engineer to extinguish forest fires occurring in proximity to the right of way.

‘The contractor shall conform to the fire regulations adopted by the Commissioners and also to the laws and regulations respecting fires in the different provinces wherein the work is being performed.

‘Any damage by fire that may occur to buildings or structures during construction, may be made good by the contractor who must keep such structures fully insured until the same have been completed and accepted by the Commissioners.’

And so on. Then the specifications go on to say:

‘The whole, or as much of the right of way as the engineer may direct, shall be entirely cleared of all trees, logs, brush and other perishable matter; all of which shall be burnt or otherwise disposed of as the engineer may direct, unless specially reserved,

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to be made into ties, timber or cordwood. All merchantable timber, &c., cut on the right of way will belong to the Commissioners who may dispose of same as best seems fit. Unless directed in writing by the engineer, trees and brush must not be thrown on adjacent lands, but must be disposed of on the right of way. Trees unavoidably falling outside of the right of way must be cut up, removed to right of way and disposed of.'

Then in regard to wooden structures:

'Before commencing work on any wooden structure, the ground must be entirely clear of logs, brush and trees for the whole of the width of the right of way, and during the progress of the work all pile or timber ends, chips and brush, shall be cleared from around the structures and burnt, or otherwise disposed of as the engineer may direct.'

Q. These are very good regulations; but as you said before, we have good laws that are not enforced. There has not been a railroad built in this country yet that has not burnt up all the timber around it, and I would like to see the Dominion set the good example of building a railroad without burning up the timber. It seems to me this is the most important question of this nature that is before us at the present moment, the most imperative question?—A. I think it is.

*By the Chairman:*

Q. Do you know what the provincial governments are doing along the line of construction of the Grand Trunk Pacific?—A. The Ontario Government sent out a number of rangers, and I think the Quebec Government did also, but I am not very sure. I know that in New Brunswick, they paid special attention to this matter. I did not think that the Dominion Forestry Branch had jurisdiction, but the subject was considered by the Forestry Association, and we passed rather strong resolutions particularly directed to that matter, and transmitted them to all the governments concerned, and I think they have had some effect. I think it was after we sent resolutions to the Railway Commission, that the regulations were framed with these special provisions.

Mr. PERLEY.—I think it would be well if the Chairman would see the Railway Commission and have them enforce the regulations.

The CHAIRMAN.—It would be a good idea. There is just a possibility that in a case like this, where there are so many jurisdictions, one body may claim it is the business of another body, and there may be a disposition, if anything happens, to throw the responsibility on somebody else. We might possibly perform a useful function by getting to the bottom of the matter, and making a recommendation that would cover the case.

Mr. CAMPBELL.—The question of clearing the right of way not only on the Transcontinental, but on some of the other lines has already arisen, and particularly in New Brunswick. The Deputy Surveyor General of New Brunswick attended the meeting of the Forestry Association, and drew attention to the fact, that along the line of the Intercolonial, the right of way was not kept very well cleared. The Forestry Association passed a resolution and transmitted it to the Government at that time in regard to that right of way. But as far as the Forestry Branch is concerned, we always felt that we had no direct jurisdiction, and when we wanted to call attention to anything like that, it was done through the Forestry Association.

The CHAIRMAN.—You can do it through this Committee now, Mr. Campbell. You have a better opportunity of getting to work.

Mr. CAMPBELL.—It is a good thing to have as much support as possible.

*By Mr. Magrath:*

Q. How much money is placed at your disposal for this work?—A. For fire ranging?



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Q. Yes, or for forestry purposes?—A. The appropriation for the Forestry Branch is about \$100,000. We have spent about \$50,000 on fire ranging.

Q. In the United States what do they spend annually in connection with forestry work?—A. There the appropriation is \$4,640,000 for the forest service.

Q. And do the individual states perform their own ranging?—A. Yes.

Q. So that the \$4,000,000 does not represent the entire amount of money expended on forestry work in the United States?—A. No.

*By the Chairman:*

Q. That is all spent on federal properties, is it not?—A. Yes, on federal property.

*By Mr. Béland:*

Q. For all forestry purposes and not merely for fire protection?—A. Yes, for all forestry purposes. The United States have taken up a great many lines of investigation that we have not yet been able to touch at all.

The CHAIRMAN.—The point Mr. Magrath has in mind, I think, is covered by this: this money is expended for the administration of the forest reserves.

Mr. MAGRATH.—The four millions?

The CHAIRMAN.—It is expended on forest lands owned by the United States and on nothing else. They do not carry on any general system of fire protection.

*By Mr. Magrath:*

Q. As against that \$4,640,000 we spend \$100,000?—A. Yes.

The CHAIRMAN.—And our work is rather more general than theirs, because the rangers sometimes go outside of the places where there is any Dominion forest to protect timber.

#### FOREST RESERVES.

Mr. CAMPBELL.—Another branch of the subject is that of forest reserves, and these, under Dominion jurisdiction in the western provinces, number 26. The total area within the reserves is 10,600,000 acres. That includes what are generally described as Dominion parks. Those are Rocky Mountain Park, Yoho Park, and so on. They come under the jurisdiction of the Forestry Branch as well as what are technically designated 'Forest Reserves.' Most of them were finally set apart by the Forest Reserve Act of 1896. Previous to that they were only established by order of the Minister or by Order in Council. Now they are established by Act of Parliament, and lands can only be withdrawn from them by Dominion statute. As far as they have been established, they have been put on a pretty permanent basis. We made examinations of several districts last summer to see if there should be any additions made, and we recommended an extension of the Spruce Woods reserve in Manitoba. This is all sandy country, and we recommended that the extension should take in a considerable area that is of the same character and not good agricultural land. In the Prince Albert district, we had the Pines reserve looked over, and recommended some additions to take in a sandy tract north of the North Saskatchewan river, which is merely an extension of the sandy district to the south. The Beaver Hills in Saskatchewan were inspected, and we recommended that a township there should be included. Not only is it established as a forest reserve, but the Provincial Government is anxious that it should be held as a preserve for beaver. We made an examination of the Cypress Hills district. There is only half a township reserved in the Cypress Hills, but there is a fair amount of good timber, some spruce, and some lodgepole pine. It is a very important watershed. We had that examined and recommended that 192 square miles be added to it.



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*By the Chairman:*

Q. Is all that land available?—A. There is some of it that is not in Dominion hands entirely, we have not added it yet. We are going into that question before finally deciding about what is to be taken in.

Q. That is down here?—A. Yes. We have had it provisionally reserved until we can look further into that part of the question.

Q. What is the area of the reserves here?—A. Riding Mountain reserve contains about 1,500 square miles, and Duck Mountain about 1,200 square miles. The Porcupine reserve contains about 600 square miles. In regard to the general question of forest reserves I have prepared some notes. I had better read them, and then we can consider any other matters that may be brought up. The policy and location of forest reserves is determined by the following considerations:—

1. The necessity for the devotion to forest of lands not suited for agriculture.
2. The protection of watersheds.
3. The protection of fish and game.
4. The furnishing of pleasure resorts for the public.

5. The locating of the forest problems in defined and restricted places where advanced methods of forest management may be tried, and where experimental work in reforestation may be done.

It is believed that these considerations present a powerful and complete argument for the establishment of forest reserves, and in the setting apart of the Dominion reserves in each case, most or all, of these considerations have been the moving cause.

It is not intended that the reserves shall be closed in such a way that their resources shall not be available for use, but that they shall be so regulated that they may be preserved by wise use. Regulations have been established for the cutting of timber, the use of the hay, and proposals have been submitted for the use of the shores of lakes and other bodies of water as summer resorts.

The regulations in regard to the cutting of timber provide that trees cut for lumber must be ten inches in diameter or over, that the cutting shall be done under control of the officer in charge of the reserve, that all unnecessary waste or destruction of timber shall be avoided, and all parts exceeding four inches in diameter of trees cut down shall be removed. The dues are so adjusted as to encourage the cutting of the least valuable and more plentiful species, such as poplar, by making a higher rate for the more valuable species.

As the reserves in the west are expected and intended to meet local demands, the regulations provide for the disposal of timber to settlers only under permit, and this privilege is confined at present to an area within 50 miles surrounding the reserves.

One of the chief difficulties in dealing with the forest reserves has resulted from the squatters located thereon. Steps are being taken for their removal and have been carried out successfully on the Riding Mountain, Turtle Mountain, Moose Mountain and other reserves. One hundred and twenty-six squatters were removed from the Riding Mountain reserve, and twenty-five from the Turtle Mountain reserve. These squatters have all been settled elsewhere quietly and have expressed themselves as well satisfied.

The boundaries of the reserves are being defined by the cutting out of the lines and marking them with special posts, so that there may be no excuse for not knowing the boundaries.

Timber surveys are being carried on in the reserves so as to determine their resources, and these will give data sufficiently accurate to plot out the timber areas by species and conditions, so as to determine with all necessary accuracy the topography and the stand of timber.

These surveys show that the reserves have suffered from fires and careless cutting, and will need careful treatment to bring them into good producing condition again.

The management of the reserves is provided for by the following organizations:—

1. A staff of permanent rangers.

2. Technical officers, who are graduates of forest schools, to make the timber surveys, lay out plans of management for cutting timber and improving the condition of the reserve, and over-see the carrying out of the plans. There are two permanent officers of this character, Mr. H. R. MacMillan, a graduate of the Yale Forest School, and Mr. J. R. Dickson, a graduate of the Forest School of the University of Michigan. These gentlemen are both Canadians, but they had to go to the United States for their forestry education.

3. An inspector of forest reserves. This position is held by Mr. A. Knechtel, a graduate in Forestry of Cornell Forest School, and for seven years Forester for the Forest, Fish and Game Commission of the state of New York. This gentleman is also a Canadian, although he was in New York state for some time and took his forestry course there. His duties are the general inspection of the reserves, the staff and the officers in connection therewith, the direction of timber surveys, and final supervision of the organization and plans of management.

#### REFORESTATION.

On the reserves we have made some experiments in reforestation on a very small scale. It has not been possible to do very much. We have tried the two methods of sowing the seed and planting. The planting has not amounted to very much yet. That is, we have only planted 25 acres, so it is merely an experiment to find out how it will succeed. The planting we have tried has done very well where two year seedlings were used. We tried three-year seedlings also, but they did not do as well as the others. We found that it worked out about in this way; that the cost of the seedlings grown in our own nursery at Indian Head was about 75 cents a thousand, and planting them as we do, about 4 feet apart, which would require 2,700 to the acre, would cost about \$2.03 for the stock to plant an acre. The cost of planting per acre would be about \$5. The total cost per acre of planting, so far as our present experiments go, would be about \$7. As to how far planting will be necessary on the reserves is a question, that will have to be worked out. As far as we can make out now, there are open places where planting will have to be done. In the open places, we have found that seeding is not satisfactory, and we will probably have to resort to planting in some cases.

We have made some experiments in seeding, and it is a cheaper method. There are several ways of getting the seed into the ground. It may be scattered broadcast, which is, of course, very much more easily and cheaply done than by a more careful method, but the chances for loss of seed are very much greater. There is another method that has been used in the forests of Europe; that is to prepare, to a certain extent, the place where the seeding is to be done. The seed will not germinate properly, if it falls on leaves or brush or anything of that kind; it has got to get down to the mineral soil in order to be sure of germination and striking the root properly. One man will go along and clear off the duff with a hoe or some such instrument, and the next man will go along and drop the seed in the place he has dug, and press it down lightly with his foot. Mr. Knechtel, who is in charge of our experimental work, tried that method in New York state and found it worked out very satisfactorily. We did a little experimentation last summer with a number of different species on the Turtle Mountain reserve and the Spruce Woods reserve. The attempt on the Spruce Woods reserve was not successful; we are not absolutely certain just what the difficulty was. On the Turtle Mountain reserve most of the experiments resulted fairly well. Our conclusion is that where there is a little shelter, sowing will do very well, but on the open ground such as we have in the Spruce Woods reserve, the conditions are different. It is a sandy tract, and it has been evidently burnt over pretty frequently, and the stand of timber is very thin.

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There is a good deal of open ground there, and the probability is that we will have to do considerable planting; we cannot depend upon the sowing there. We are going to continue these experiments in seeding. We had the forest rangers on the reserves last fall gather considerable quantities of the cones of spruce and jackpine, both the northern jackpine and the lodge-pole pine, and we are going to try some experiments this spring with seed to see how it will work out.

As I have stated already, the Dominion has throughout the country about ten and a half million acres in forest reserves, Ontario has 11,700,000 acres, and Quebec has nearly 106,000,000 acres. Quebec has reserved practically all of its forest lands. These figures give a total for the whole Dominion of 128,000,000 acres. None of the other provinces have formed forest reserves.

*By the Chairman:*

Q. Is that land in Quebec in reserves?—A. Yes, these are the Quebec reserves. They practically cover all the forest lands in Quebec. These are the Ontario reserves. (Indicating the map). This Temagami reserve is a particularly fine one with a good stand of pine. I saw a proposal mentioned in the newspapers for an additional reserve in Ontario. I do not know whether the proposal has been carried out or not, but I placed the reserve on the map in order to show it.

Q. I think in the province of Ontario they have been following the policy of making the reserves where there was good merchantable timber?—A. Yes, as a rule.

Q. They do not seem to have had it directed to their attention that it would be desirable to reserve large territories, or large tracts of land, that are fit for forestry, and that are reforesting themselves now, where the timber is not merchantable at the present time?—A. They have a small reserve in Hastings county, down towards Lake Ontario, that is of that character. This country is not very well afforested around Lake Nipigon.

Q. They claim there is considerable valuable pine there?—A. There is considerable, but the country is not by any means all afforested. It was not purely on the question of the forest stand that they established that reserve.

Q. What is the area of these two reserves?—A. The Rocky Mountains Park reserve has an area of about 4,500 square miles, and the Jasper Park about 5,000 square miles.

Q. Did you have any serious fires in these parks last year?—A. Yes, we had that bad one I mentioned on the Spray River.

*By Mr. Magrath:*

Q. Have you any reserve in the Crow's Nest region?—A. No, we have no regular reserve. The only thing in the nature of a reserve that we have in the Crow's Nest country is a departmental order that lands in that district within a township north and south, were not to be entered without a previous inspection.

*By the Chairman:*

Q. Is there any reason why all of this land on the slope, so far as is now under the control of the Federal Government, should not be included in these reserves?—A. No reason that I know of.

*By Mr. Magrath:*

Q. I think there is the very best reason that they should be?—A. That would be my judgment on it.

*By the Chairman:*

Q. How much of the land down here is within the control of the Federal Government?—A. It is pretty much all within the control of the Government, as much as these parks are.



Q. What about this land?—A. That is in the same way. Of course, there are timber licenses on a considerable part of it.

Q. That does not interfere in any way with your control?—A. That does not interfere with our control. They are under annual license and subject to the regulations that are contained in the license. I was going to refer to our control of the licensees a little later on.

Q. I understand there has been great destruction by fires up here, between the Crow's Nest and the mainland of the Canadian Pacific Railway, is that correct?—A. Yes, there has been considerable. Of course, it is not as bad as it is in a place like the Crow's Nest Pass, for instance, where the railways have gone through, but there has been considerable. We have not made a careful examination of that country, and our information about it is very general. This examination of the Crow's Nest Pass was the beginning of what I hope to do along the whole of that slope. I do not think we will be able to make any further examination this year, because we have not got enough money or enough qualified men. What I propose is to work north and south, and gradually get the whole district mapped out.

This is the Pines reserve near Prince Albert, which we examined last year. It is a very small reserve and the examination did not take very long. What we propose is to have surveys carried out on all the reserves and have them mapped out in that style; so that we will be able to tell just what we have there, and know what we are doing when we are dealing with it. These surveys have been carried on for the last few years.

Mr. MAGRATH.—There was hardly a summer, Mr. Chairman—I am speaking now of a few years ago—but what we would see in midsummer in that country dense volumes of smoke coming out of the mountains. We have been accustomed to accuse the railway companies of causing the fires, but I remember that in 1882, before the railway was in there, I was precluded from working for about a week from the same cause. So there are other causes than the railways for the setting of these fires.

Mr. CAMPBELL.—Undoubtedly.

*By the Chairman:*

Q. On what point have you got any method of controlling or keeping track of people that go prospecting into the forest reserves?—A. Well, we have the regulations, and as far as we can, we enforce them. We try to keep track of such people.

Q. Do you not make them come to you and take out a special permit?—A. For prospecting? Yes.

Q. On a reserve?—A. Yes.

Q. Then, of course, if a man has to come and get a permit to enter certain places you can follow him up pretty well?—A. Yes.

Q. If a fire occurs there, you know pretty well who is responsible. That is a great protection if it is rigidly enforced, and that to my mind is one of the main reasons for extending the reserves; it puts the department in a position to absolutely prevent anybody going on a reserve without coming and getting a permit, and having his operations confined to the particular district where he went in, so that the warden of the territory will know that he is there, and what he is doing. There is not much danger of a fire if the man knows that he is watched, and the officers know where he is. He is more likely to be careful than an individual who just goes off to the woods without anybody knowing where he is; such a chap does not take very much trouble.

*By Mr. Magrath:*

Q. The Crow's Nest Railway has always been accused of setting the fires in that district. There have probably been millions of dollars of damage done in that pass. A little to the south of it there is the North Kootenay pass and then South Kootenay or Boundary pass. Both should be taken in?—A. Undoubtedly there were fires in that



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district before the railway went through. The railway is not wholly responsible. Prospectors are certainly responsible for a good many of the fires that we have had there. There is no doubt about that and at the present time there is a danger from prospectors. Of course, we have been speaking of railways particularly, but they are not the only offenders by any means.

*By Mr. Molloy:*

Q. What fine is imposed when anybody is prosecuted and found guilty?—A. That depends upon the province. The fine runs from \$25 up to \$100 and \$200. When a prosecution is carried out, you generally find that the minimum fine is imposed, about \$25. In some cases in British Columbia, they thought \$25 as too heavy a fine, and in spite of the law they reduced it to about \$5.

## WATER SUPPLY.

*By the Chairman:*

Q. Have you got any information that you can give us in regard to the water supply in this territory here extending to the plains?—A. Yes. I may say that measurements of the water supply were started about the year 1894, and they were carried on for two or three years until Mr. Dennis who was then in charge, got a working basis on which to handle the irrigation applications. Since that time they have not been carried out very thoroughly, and it is only within the last year that I have got the work started again on a proper basis. This year, we are reorganizing the work of stream measurements, and separating it to a certain extent from the general inspection work, so that it can be carried out with reference to itself alone. In the past, measurements have been carried on every summer in such a way that while a man is out inspecting all these different irrigation schemes shown on this plan, he could, at the same time, take measurements of water. The result was he could not obtain the measurements when they should be taken, and the results were uncertain and scattered. It takes eight or ten years' steady measurements at proper times to get a really adequate idea of what the stream flow is, and we have organized it in this way now: there will be a man in charge of the Calgary district who will look after the measurements there. There will be another one for the Lethbridge district, and a third for the Cypress Hills district. We expect that carrying on the work in that way, we will be able to get a reliable idea of what the flow is. Now, as regards Mr. Dennis' conclusions on the preliminary work that he had done so as to determine the general quantities, I may say that under the Irrigation Act the flow of the rivers has been considered in three stages—that is low water, high water and flood water. The low water flow of the streams in the district was calculated by Mr. Dennis at 7,403 cubic feet per second, the high water flow at 89,758 cubic feet and the flood flow at 264,364 cubic feet. As you will notice, there is great variation in the flow of water in these rivers, because they are subject to frequent floods. These figures relate to the flow from the eastern slope of the Rocky Mountains. That is practically all the information we have that can be given.

Q. What territory does that include?—A. That runs from the International boundary up to the Red Deer river just north from Calgary. We have no gauging of the rivers north of that. Speaking of the main rivers, in the Bow river the low water flow is estimated at 2,779 cubic feet, the high water flow at 26,224 cubic feet, and the flood flow at 41,945 cubic feet. The main rivers are the Red Deer, Bow, Little Bow, Highwood, Old Man, Belly, Waterton, St. Mary and Milk. The St. Mary's and Milk rivers have their sources in the United States, and we do not control their head waters. The head waters of the rest we do control. They all rise on the eastern slopes of the Rocky Mountains, and there is no doubt whatever that the question of the water supply and the protection of the forest along these slopes are closely connected. In regard to the development in irrigation which has taken place

in that country, I might give you the figures as to the number of schemes that have been carried out under the Irrigation Act. In Alberta, 118 schemes have been licensed, and in Saskatchewan 42, a total of 160. At present there are 71 schemes authorized in Alberta and 84 in Saskatchewan, a total of 155, and there are 25 applications now before the department which have not been authorized nor licensed. These figures give a total of 340. The area to be irrigated by all these schemes is 3,000,000 acres in Alberta and 47,000 acres in Saskatchewan. The Canadian Pacific Railway Company control a tract of 3,000,000 acres east of Calgary, for which they obtain water from Bow river. The Alberta Railway and Irrigation Company, with headquarters at Lethbridge, which is the pioneer irrigation company in the west, is irrigating a portion of the railway land grant with water from St. Mary's river. In addition, the company was allowed to purchase, in connection with its irrigation work, a tract of 500,000 acres. None of these irrigation schemes are completed as yet. A tract of 380,000 acres is under contract of sale to the Southern Alberta Land Company. The water is to be brought by canal from up the Bow river here, thrown into a reservoir in the Snake valley, and used on lands west from Medicine Hat. These are the large schemes. In these districts it is necessary to have fairly large capital, because the rivers are in low valleys and to get the water on these lands is expensive, and requires considerable financial resources. It is not a case for individual effort at all.

In the Cypress Hills district, as you will see, there are a very large number of small schemes. This is a development that has come almost entirely in the last few years. There are a large number of people going in there to operate small ranches who want tracts on which they can raise feed for cattle and sheep ranching on the lands. I think the developments in the country around Cypress Hills will be in the direction of small ranching with an irrigated tract to make a sure crop of fodder for the stock.

To give you an idea as to the relation between the large and small streams, I might mention that there are four large schemes constructed by companies. 15 smaller schemes, comprising over 1,280 acres each; 27 schemes comprising from 640 to 1,280 acres each and 294 schemes comprising less than 640 acres each, a total of 340 schemes. In addition to irrigation schemes there are industrial, domestic and other schemes, of which 131 have been licensed, 72 authorized, and 19 applications received. The industrial schemes are mostly for supplying the railways. In the irrigation district, the riparian rights or any of private ownership in the water have been done away with. They are all vested in the Government, and any rights to use the water, except for ordinary domestic purposes, has to be obtained by license. There are a number of schemes classed under the heading of 'other' schemes numbering 26 in all. Most of these are municipal water supply schemes. I believe that one of the most important necessities in that district will be found to be the water supply for municipalities with what is used for other domestic purposes.

I have a general statement here in regard to the matter, but perhaps it is not necessary for me to read as the time is going on, but I could perhaps make one or two points. I have mentioned about the arrangement in regard to the hydrographic survey or the stream measurements, whichever you may choose to call it. We have to take a cross-section of each stream, and then gauge the rate at which the water is running at the different stages in order to know what the flow and volume are. There are several cross-sections here that were taken on the Milk River. We have the scheme well organized now so that we can take these measurements regularly. We will cover the streams in the irrigation districts thoroughly by another year at any rate, and I think that in a few years we will have some really reliable statistics. When we complete our arrangements in the irrigation districts, it is proposed to extend the measurements as rapidly as possible to all streams issuing from the forest reserves. All the watersheds in the west will finally be included in these reserves, and it is expected that the results will be of the greatest advantage to all the western provinces. Stations will be established at main points on all the large streams.

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Further, the observations of stream flows will be related to the observations of snowfall and rainfall, made by the Meteorological Bureau, and to those made by the officers of the forest service within the forest reserves. It is hoped that in this way reliable data will be obtained as to the influence of forests on precipitation and run-off, a much debated question. Such a combination of observations should give information of the utmost value to municipalities contemplating the establishment of water supply systems or works for light or power schemes, to industrial development generally, to irrigation projects, and perhaps also to navigation. I consider it a very important matter to find out what influence the forests have on precipitation or run-off, and I think by having our forest officers on these eastern slopes making observations, and having the measurements taken on the streams below, and the observations of the Meteorological Bureau in regard to precipitation, we ought to be able to work out information that will not only be useful in that particular district, but in the general interest from a scientific point of view as well.

While it is advisable to preserve the forests and find out what their influence is, there is no question whatever that if we are going to get the full use of the waters in these rivers, in time there will have to be artificial structures used, and dams will have to be built for the creation of reservoirs.

Q. Do you know anything about the possibility of making convenient reservoirs in the foot-hills?—A. We don't know very much about it; there has not been much examination made with that object in view. On the recommendation of Mr. Dennis, some years ago, some small reservoir sites were planned, but they were mainly down in the foot-hills. They merely affected small bodies of water. The general question of controlling the waters of a river, as for example, the Bow River, has not been worked out. This year there is to be an examination made of the upper parts of the Bow River, and also of the Waterton, and possibly of Cypress Lake, in the Cypress Hills. There is a possibility that Cypress Lake, on the southern side of the Cypress Hills, could be converted into a reservoir, which will mean the use of a large quantity of water that now goes to waste. The Surveyor General is to make an examination this year as a preliminary to see what can be done. In the United States they have gone thoroughly into that question by means of the reclamation service, and the Government themselves are building these dams and establishing these reservoirs. All we propose to do now is preliminary work to find out what the possibilities of storage are. The question as to how the storage is to be made or made use of has to be considered later.

Q. I should think that, in regard to these southern rivers, it might be possible. Of course, you could not do much with the Saskatchewan, it is too large, the flood waters on the Saskatchewan are enormous?—A. They are enormous. I do not know what could be done in that case, because we have not made any examination. I was talking to an engineer at Edmonton who had been up on the Brazeau and on the northern Saskatchewan, and he thought that in connection with a number of lakes there, there had at one time been a natural dam and he said he thought these lakes could be easily dammed again, and made to hold a large quantity of water. Of course, all the information we have is very slight. We could hardly say from the information we have what could be done, but it is a question that is worth looking into carefully. These floods come down very suddenly; in fact, any person that has had experience of these western streams knows how suddenly they come down. There was, for example, the flood at Edmonton on the northern Saskatchewan about two years ago. At that time one lumber firm lost two-thirds of their logs.

Q. Do you happen to remember what the average rise was, at Edmonton, two years ago, when they had their high water; it must have been about 30 feet?—A. It was about that.

The CHAIRMAN.—How wide is the river there, Mr. Magrath? It is nearly a thousand feet, is it not?

Mr. MAGRATH.—It is.



The CHAIRMAN.—And the water rose about 30 feet?

Mr. CAMPBELL.—That question is one that should be looked into and all the data possible obtained in regard to it.

The CHAIRMAN.—Then, we have to consider the extension of the reserves from the International boundary line northward to the Yellowhead pass. That is important, and then there is the procuring of information as to the possibility of storage reservoirs to regulate the flow of water, and the matter of the fire ranging service in the forest reserves. Is there anything else?

Mr. MAGRATH.—You are now touching a subject which is very close to me, and I want to have about 10 or 15 minutes, at some time, in connection with this very subject. While it is desirable and absolutely necessary for us to know what water supply we have got, there is other information that should go hand in hand with it. That is how can we place that water to the best advantage for the people in the country? Nothing has been done in that respect, and as the Committee will probably be making a recommendation later and its report will doubtless be considered most favourably by the Government, I would like to get my ideas well before the Committee, and if they think they are good, embody them in its report to the House.

The CHAIRMAN.—Of course, we will have to consider the evidence and our report very carefully. The reason I am mentioning these matters, especially now is to get them clearly in the minds of the members of the Committee so that they can be considered. We have to consider the evidence and the different recommendations that we should make, and that will be the time for each member of the Committee to state his views at length.

Q. Mr. Campbell, could these reserves in the neighbourhood of the Riding Mountain, and the Duck Mountain, be profitably extended, or are they sufficiently large now to protect the head waters of these streams?—A. I think that the Riding and Duck Mountain reserves are perhaps sufficiently large now, except that on the west side of the Duck Mountain there may be a little taken in. On the west side of that mountain there is territory that really should be in a reserve. We have not had it examined particularly, but there is land there that is more or less timbered.

Q. That is the source of all the streams that come down into Manitoba?—A. Yes, that is a very important watershed for Manitoba.

The CHAIRMAN.—Do the members of the Committee understand this point? This small reserve protects the head waters of all the streams that run down into the fertile part of Manitoba. The Assiniboine and its tributaries all come from there, and this reserve has been formed for the purpose of protecting the water supply. I was asking Mr. Campbell to say whether, in his judgment, the reserve was sufficiently large, or if it could be added to with advantage.

Mr. CAMPBELL.—I think the reserves probably serve the purpose pretty well. The only place where an addition might be made is on the west side of the Duck Mountain reserve. Then so far as the Porcupine reserve is concerned, a little addition might be made there. There are lands around that reserve that are afforested, not suited to agricultural purposes and which would protect the watershed to a certain extent. There are a number of districts up here that ought to be examined. For instance, there is the Pas district. There are a number of places where there should be additional reserves, but the trouble is to get to them. Now, shall I go on with my subject?

Mr. FOWKE.—I move that the Committee now adjourn.

The CHAIRMAN.—Have you had enough for to-day?

Mr. FOWKE.—We have had a very good lesson to-day.

The CHAIRMAN.—When shall we meet again?

Mr. FOWKE.—A week from to-day.

The CHAIRMAN.—The session is getting on, and we must meet oftener if we are going to do anything.



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Mr. FOWKE.—These addresses are very interesting, and I would like meeting oftener than once a week.

The CHAIRMAN.—I suggest then that we meet on Tuesday at half past ten. Is that agreeable?

Suggestion concurred in.

Committee adjourned.

## HOUSE OF COMMONS, OTTAWA, April 20, 1909.

The Committee on Forests, Waterways and Water-powers met at 10.30 a.m., the Chairman, the Hon. Clifford Sifton, presiding.

Mr. CAMPBELL.—Before proceeding with the other divisions of the subject, I would like to mention one point in connection with the water supply which I overlooked the other day: that is, that so far as our present knowledge of the water is concerned, and the facilities we have for making use of it, we have pretty well taken up at the present time the water supply in the irrigation district. The present situation is not encouraging for further development of irrigated farming, outside the large tracts now being offered for sale by companies authorized to supply water for this purpose. The supply of water available for irrigation has practically all been appropriated, and the Government would not be justified in making further grants until possessed of more precise information as to stream flow than is now available. Several applications have already been refused for this reason. It is expected, however, that the results of the stream measurements now being made will show the practicability of so controlling stream flow as to permit of considerable further development within a short time. I desired to make that point before proceeding, because it shows we have reached our limit of development in the use of water.

## TIMBER SURVEYS.

The next division I was going to take up in connection with the work was the matter of timber surveys. I was speaking of it in regard to the forest reserves, but it is a separate question, and I should like to speak of it particularly. The surveys are of different characters. Timber surveys have been made on the Turtle Mountain, Moose Mountain and Riding Mountain reserves, by the strip method and reconnaissance surveys have been made on the Pines reserves, Beaver Hills reserve, Spruce Woods reserve, Lake Manitoba West reserve, the Crow's Nest district, Waterton lakes and Cypress Hills reserve. The strip survey, which is an elaborate and rather expensive system of survey, was used until last year. It consists in running out half mile strips with the compass from surveyed trails, counting the trees, ascertaining their size and species and noting the topography. The reconnaissance survey covers the reserve in a general way from the trails, down to quarter-sections, and provides for giving the results more in the mass, but such a survey is sufficient to give the information required with a fair degree of accuracy and to plot the different stands of timber. Of the ten million acres in forest reserves and parks, about one million and a quarter have been surveyed, and the following stand of timber is arrived at definitely from the surveys and by estimate for the other reserves.

## TIMBER ESTIMATES.

As has been previously stated, the department is making a forest survey of the reserves which should give a close estimate of the timber thereon. Such estimate

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has been made for the Riding Mountain, Turtle Mountain, Moose Mountain and the Pines reserves, and for these the following figures are close to the actual quantities. For all other reserves the estimates are only tentative:—

## MANITOBA RESERVES.

	Saw Timber.	Fuel Wood.
	Bd. ft.	Cords.
Duck Mountain.....	300,000,000	3,000,000
Riding Mountain.....	250,000,000	2,500,000
Porcupine No. 1.....	50,000,000	750,000
Turtle Mountain.....	1,333,000	135,000
Spruce Woods.....	1,000,000	30,000
Lake Manitoba West.....	600,000	40,000
Total .....	602,933,000	6,250,000

## SASKATCHEWAN RESERVES.

	Saw Timber.	Fuel Wood.
	Bd. ft.	Cords.
Porcupine No. 2.....	50,000,000	500,000
Moose Mountain.....	5,000,000	130,000
The Pines.....		50,000
Beaver Hills.....		10,000
Total .....	55,000,000	690,000

## ALBERTA RESERVES.

	Saw Timber.	Fuel Wood.
	Bd. ft.	Cords.
Eastern Slope.....	3,000,000,000	50,000,000
Rocky Mountain Park.....	300,000,000	3,000,000
Jasper Park.....	100,000,000	1,000,000
Cypress Hills.....	2,000,000	100,000
Cooking Lake.....		100,000
Kootenay Lakes.....		10,000
Elk Island Lake.....		10,000
Total .....	3,402,000,000	54,220,000

## BRITISH COLUMBIA RESERVES.

	Saw Timber.	Fuel Wood.
	Bd. ft.	Cords.
Railway Belt and Yoho Park.....	600,000,000	6,000,000

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## SUMMARY.

	Saw Timber.	Fuel Wood.
	Bd. ft.	Cords.
Manitoba Reserves .....	602,933,000	6,250,000
Saskatchewan Reserves.....	55,000,000	690,000
Alberta Reserves.....	3,402,000,000	54,220,000
British Columbia Reserves.....	600,000,000	6,000,000
Total .. .....	4,659,933,000	67,160,000

## ESTIMATE OF ANNUAL OUTPUT.

The following table showing the quantities and kinds of timber taken from the reserves is also tentative as it is only an estimate. Heretofore, the quantities of timber cut on permits granted for the reserves have not been kept separate in the records from those granted for timber on other Dominion lands. It is the intention that in future, forest reserve matters shall be kept by themselves so that accurate data in regard to them can be obtained. The receipts, however, as stated in the table, may be considered as correct. The figures may seem small considering the quantities of timber removed; but it should be borne in mind that every homesteader is entitled to one free permit.

## TIMBER CUT DURING YEAR ENDING MARCH 31, 1908.

District.	Lumber.	Logs.	Cord-wood.	Fence Posts.	Fence Rails.	Poles.	Receipts.
	Ft. B.M.	Lin. ft.	Cords.	No.	No.	No.	\$ cts.
Manitoba Reserves....	3,789,180	17,134	3,647	31,100	22,650	8,250	7,044 41
Saskatchewan Reserves..	343,435	464,110	9,029	117,140	106,510	102,414	535 35
Alberta Reserves.....	1,400	332,612	1,280	52,080	247,155	48,265	30 75
British Columbia Reserves	8,338,000	..	2,500	.....	.....	.....	4,794 00
Eastern Slope, as far north as Brazeau River.....	31,651,610	..	56,037	336,860	1,336,700	.....	19,325 00
Total.....	44,123,625	813,856	72,493	537,180	1,713,015	158,929	31,755 51

Throwing these different kinds of material into saw timber and cordwood, we have saw timber about 45,751,325 board feet; cordwood, 105,943 cords. Dividing these quantities into the quantities estimated as standing on the reserves, and we perceive that the saw timber should last for six hundred and thirty-four years, practically forever, providing that the rate of consumption remains the same, and that no timber be destroyed by fires or other causes. To be sure, the growth has not been taken into account, but it is reasonable to suppose that fires will at least offset the growth, be we ever so vigilant.

The CHAIRMAN.—That is on all the Dominion Government reserves.

Mr. CAMPBELL.—Yes, as they are set apart now. Of course that is not absolutely accurate. We have the information in regard to some of the reserves, but in regard to others we are merely guessing.

In addition to the surveys of timber reserves, there should be exploratory surveys of lands known to be generally timbered, with the object of ascertaining:—

(1) The stand and condition of the timber.

(2) The tracts that are unfitted for agriculture, control watersheds, or for some other reason should be held permanently for forest purposes.

Owing to lack of funds, it has been found impossible to arrange for any systematic survey of this kind, and all that it has been possible to arrange for is the protection of the outlying districts by a fire patrol, and such information as can be gathered from the reports of the rangers.

Timber surveys of the forest reserves and of the eastern slope of the Rocky Mountains should be carried through without delay. The exploration of the timber in the northern districts, should be made before railway construction, and the advance of settlement, so that the lands that are not suitable for agriculture could be determined and dealt with differently from agricultural lands. Timber on agricultural lands should be disposed of and cleared off first. Non-agricultural lands should be administered so as to be protected and kept permanently in forest, and should be used in such a way as to promote the renewal of the forest.

In regard to the forest lands in general, which are under Dominion control, I think the first step would be to have an exploratory survey, somewhat similar to the survey made by Ontario in 1889. They explored some 60,000,000 acres, and the cost was about \$40,000. Such a survey in our northern district would give us some idea of the conditions as to forest, and lands; and after we had the forest areas pretty well determined, and found out how much of the lands were not suitable for agricultural purposes, and what should be kept in forest, we could then proceed and make a more careful survey of the forest reserves, and determine the proper method of handling them.

RATES OF TREE GROWTH.

Our survey of the forest reserves included the measurement of some of the trees, to find out what the rate of growth was. We have not been able in all cases to obtain an absolute figure, but we have had sufficient, in the case of a number of species, to be able to tell with a fair degree of accuracy, what the rates of growth are, and I can give the Committee the figures for several species here. We had examinations made of some places in the Crow's Nest Pass. The following is a table of the rates of growth of the trees:—

Crow's Nest Pass.	Age 10 in. in Diameter.	Annual Diameter Growth Inches.	Annual Height Growth Feet.	Height at 10 inch Diameter.
Engelmann's Spruce.....	75	$\frac{1}{1}$	1	75
Douglas Fir.....	90	$\frac{1}{1}$		
Lodgepole Pine.....	65	$\frac{1}{6}$	1	71
RIDING MOUNTAIN.				
Poplar.....	70 (6 in.)	$\frac{1}{1}$	$\frac{1}{7}$	56·5
" (Best rotation).....	40	$\frac{1}{1}$		46·5
White Spruce.....	75	$\frac{1}{2}$	$\frac{1}{2}$	56
Jack Pine.....	60	$\frac{1}{1}$		
Black Spruce.....	170	$\frac{1}{17}$	$\frac{1}{17}$	53
Tamarack (Upland).....	150	$\frac{1}{15}$	$\frac{1}{15}$	65
" (Muskeg).....	170	$\frac{1}{17}$	$\frac{1}{17}$	53
Paper Birch.....	75	$\frac{1}{7}$	$\frac{1}{7}$	56·5

By the Chairman:

Q. These observations were taken in the forest were they not?—A. Yes.

Q. Were the forests more or less thick?—A. Yes.

Q. That would be no indication as to how fast these trees would grow where they had more room?—A. It would not be a sure indication, but these are average conditions of forests as we have them at the present time. They are normal conditions as we know them.



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*By Hon. Mr. Fisher:*

Q. These trees were not crowded enough to be dwarfed or hurt in their growth?—A. They must have been crowded in their early days when they would make a height growth, but not a fast diameter growth. Later, the trees would be thinned out, and they would make a better diameter growth. It would be a great advantage if, where a forest was started, we could thin out the trees. We would have very much better results. Of course, they could do that in European forests. The difficulty about doing it in Canada is to find a market for the material you might take out. In Germany and other countries, they find a market for all the material that is thinned out, and so they can do it profitably. If we undertook it at the present time, it would be simply an addition to the cost. The return from it would be so small it would not be a sufficient advantage.

*By Mr. Beland:*

Q. That table states that the black spruce takes 170 years to reach a ten-inch diameter. Does it ever reach that diameter?—A. No, it does not really. I just estimated that roughly. We have no measurements beyond eight inches. The black spruce mostly grows in the muskeg. This table gives the average of all the trees we have taken in the forests as they stand under ordinary conditions. Under specially good conditions that rate of growth might be increased, but for normal conditions I do not know that it would be. The rotation in Europe is generally from 60 to 80 years for spruce or pine, and I do not think that we are likely to do very much better than that here in Canada. Of course, trees under special conditions may grow faster, but I think the normal rate will be found to be very close to what is stated in this table, when we come to have accurate results of a large number of observations.

## TIMBER SALES.

The next division that I made of the subject was in regard to timber sales. Before there was a Forestry Branch in connection with the Ontario department of course, the timber was being dealt with and disposed of under license; and the disposal of timber under license is still continued in the same way on lands outside of the reserve. Special regulations have been arranged for the reserves.

Timber outside of the forest reserves is disposed of under authority of regulations established under the Dominion Lands Act. They provide for:—

1. Granting of yearly permits without competition to settlers.

Dues for timber cut are paid, except by homesteaders, and in a few other cases.

2. Granting of yearly permits to owners of small or portable saw-mills for not more than one mile square, at a fee of \$1 and payment of dues.

3. Sales by public competition under license also subject to ground rent and royalty dues.

The provision for permits for small mills was established in 1906, and was intended to furnish a supply of timber quickly and cheaply to new communities. Sales are allowed to be made only direct to settlers, and the product is not to be turned into general trade.

The regulations for the sale of timber by public competition as re-established on December 19, 1907, provided for:—

1. Sale by public auction.

2. Cruising and survey of the timber before it is put up for sale.

3. The fixing of an upset price.

No sales have been made under the regulations as amended in this respect.

The form of timber license provides that the licensee:—

(1) Shall not cut trees less than ten inches in diameter at the stump.

(2) Shall leave seed trees as directed by the forest officers.

(3) Shall dispose of debris as instructed.

These provisions all have an important bearing on the reproduction of the forest, and the first is fairly well observed. In some cases, however, such as in mountainous tracts and districts, subject to high winds, it is not a satisfactory method, as the thinning of the forests means that what is left will be blown down. Clean cutting, leaving only clumps of seed trees, would be the best method in such cases. To supervise such work properly would require a larger and better trained staff than the department now has.

I would like to show the Committee a photograph in that connection, to show that the method we have adopted in preserving the forest may really only result in destroying more trees; that is, that it would be really better to cut off altogether the timber that is left after cutting down to the ten-inch diameter.

*By the Chairman:*

Q. Why?—A. Most of it will blow down.

Q. Some of it looks dead now?—A. Yes.

*By Hon. Mr. Fisher:*

Q. Does the exposure kill it?—A. Yes, that does it, too. The bark sometimes gets scalded with the sun. Fungi or insects may follow and spoil the timber. So that there are conditions under which a diameter limit is not at all satisfactory, and we would have to take a different method of providing for the natural reproduction of the forest.

*By the Chairman:*

Q. Would you say that would apply in the ordinary case to a spruce bush? My observation in regard to the spruce bush is that the merchantable timber comes in clumps. You may go miles without seeing a tree worth cutting, all being less than ten inches thick; then you will come to a heavy clump of trees, ten and twelve inches in diameter and sometimes two feet. There would be timber then for a half or a quarter of a mile, and then you would go another mile and meet another clump. Is that the result of your observations?—A. It does not occur that way. It occurs both ways. There are clumps of trees where the diameters would be all pretty well beyond that at which we allow cutting; but there will be scattered trees that are smaller, and in most cases it would be better to take those out while we are at it, rather than leave them.

Q. The few trees that are in that clump are liable to be damaged?—A. The spruce is a shallow-rooted tree, and if exposed to the wind will probably go over. They tried selection cutting in the States. Austin Carley, of the Berlin Mills Co., experimented. That company was the first which employed a trained forester in the handling of their pulp wood forests. The first thing he did was to start in and cut, leaving a selection of seed trees, but the next ind storm brought them all down, and he had to revise his methods. So that it means a study of the conditions in order to get the right method.

*By Mr. Béland:*

Q. What is the accountable cause for the dying of trees after the 10-inch trees have been removed, in your opinion?—A. Well, it would be a little difficult to say just what it is.

Q. The wind?—A. It may be the wind and sun getting in and drying out the soil. I think it is probably from that cause.

Q. Too much sun?—A. I think that would be the reason of it.

The disposal of debris is necessary in order, (1) to prevent fires; (2) to make the growth of the seedling trees easier. The simplest method of disposal is by burning, but it is not considered advisable at the present stage to make a general regulation to that effect on account of (1) the danger of the fires spreading; (2) the possible destructive effect on young trees that have started.

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Some experiments have been made in the United States in regard to the disposal of debris by burning, and they found it could be done for about 25 cents a thousand in pine forests in Minnesota. That is a reasonable figure, and if we could get rid of the debris, all the small branches and so on for that price, it would certainly be a good thing to do so, so far as that part is concerned, but there is the question in regard to the young trees that may be coming on in the ground. We have to watch that. In the burning we may destroy all the young forest which is coming up, and so far as we are concerned, we have not been able to do any experimental work of that kind yet. We have just made a very slight beginning, so that we cannot speak very confidently as to just what can be done.

*By the Chariman:*

Q. What are the lumbermen required to do now under the regulations that you have?—A. The regulation requires them to clear up the debris, but the trouble is, we have not been able to enforce the regulation. The regulation exists at the present time.

*By Hon. Mr. Fisher:*

Q. You do not indicate how you are to do it?

*By the Chairman:*

Q. You do not feel like enforcing it before you have some information?—A. We should find out how the work should be done, and we could go to the lumbermen and say: 'Here we have experimented and ascertained that it can be done in this way.' We could go to them with something clear, definite and distinct. There have been attempts at burning. I know that along the line of the Canadian Northern in Saskatchewan, Shaw Bros. burned some of the debris in the spring time, before the snow was all off.

*By Hon. Mr. Fisher:*

Q. Do they burn the debris without drying it?—A. They could at that time. There is a good deal of resin in the debris and it would burn.

Lumbering methods should be improved by a careful and thorough use of the timber.

(1) Stumps should be cut lower. 12 to 18 inches is high enough while they are now cut 18 to 36 inches.

(2) Long tops and old skidways are left. This will equal 20 twelve foot logs, 8 inches or more at the top, on every acre.

Lumbering operations in the Crow's Nest valley leave in the woods, skidways, high stumps and long tops, the following per acre:—

30 mining props . . . . .	8 ft. x 6 in.
15 logs . . . . .	12 ft. x 8 in.
150 feet, board measure, in high stumps.	

Per square mile there is:—

161,600 lineal feet mining props.  
288,000 feet, B.M. lumber.

In addition there are left in trees under 10 inches in diameter, trees which are unlikely to stand another cutting.

Per acre:—

40 mining props. . . . .	8 ft. x 6 in.
15 logs . . . . .	12 ft. x 8 in.

Per mile:—

204,800 lineal feet props.  
192,000 feet B.M. lumber.

The total waste per square mile is therefore:—

366,400 lineal feet mining props.

480,000 feet B.M. lumber.

The revenue to the Government from the above at current stumpage rates would be \$295.75 per square mile. The value of the wasted timber at current market prices is \$9,012 per square mile.

That is material that might just as well be taken out and used, but it is left.

*By the Chairman:*

Q. Where did you make the calculations? At the Crow's Nest Pass?—A. Yes.

Q. On Dominion lands?—A. Yes, under license.

Q. Is that waste going on, on Dominion lands?—A. I think it is generally. That is probably a typical case.

*By Hon. Mr. Fisher:*

Q. Do you mean to say the lumbermen, on an average, leave \$9,000 worth of timber per square mile on their limits?—A. That is what we worked out there. I do not know that they are all as bad as that.

*By the Chairman:*

Q. Do the regulations deal with it?—A. Yes, we could deal with it. We could require them to take that out.

Q. Why don't you do it?—A. The trouble is we could tell them to take it out, but we have not enough supervision to go there and see that it is done.

*By Mr. McLean (Sunbury):*

Q. We, in the east, insist that they shall take out the top, and we charge them stumpage, and when they pay stumpage on the top they generally take them out?—A. The difficulty is to follow it up, and with our present organization I do not see how we can do it very closely. We will call their attention to it.

Q. You have no system of inspection of the land?—A. We have a system of inspection, but when a forest ranger has a field running from the International boundary away up north to Edmonton, he cannot watch it very closely.

*By the Chairman:*

Q. You cannot make a minute examination of it all?—A. No.

The Dominion Government follows an economical method of administration. We take the mill cut, and collect on whatever the return shows has been cut. That is very much easier than going back in the bush and keeping check on what is done there, and it is a great deal cheaper.

*By Hon. Mr. Fisher:*

Q. On one side of the ledger, but perhaps not on the other.

*By the Chairman:*

Q. As far as taking up the amount of lumber they cut is concerned, that is a sure way, but it does not give any indication of what is going on in the woods?—A. In the present condition of the administration we cannot follow what goes on in the wood. A ranger goes out occasionally, but he cannot cover the ground.

*By Mr. White:*

Q. What length would the tops that are left average?—A. I do not know just exactly what the length of them would be. The calculation that was made was that they would equal twenty 12 foot logs eight inches or more at the top, on every acre.



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Q. Do you not think that might be one reason why the lumbermen do not take them out, because most of the lumbermen cut their logs to a certain length, 12, 16 and 18?—A. That might be one reason why they would be left there—because they could not be profitably disposed of. Of course the question of profit comes in all the time, in deciding as to whether a lumbering operation can be done thoroughly or not, but still we ought to clear up the ground thoroughly and take anything of value off it, so far as we can. At the present stage of development in Canada, I think we could easily find a market for all that material if they would only take the trouble to get it out, especially in the Crow's Nest valley, where there is so much timber required for mines.

*By Mr. McLean:*

Q. The great trouble with the top is the danger of fire?—A. Yes, that is one of the greatest dangers.

*By an Hon. Member:*

Q. In clearing up this debris, would it be better to have a fire, irrespective of the injury which might result to the young trees? My experience in the lumbering country north, is that reforestation proceeds much faster after a fire has gone over it?—A. That is quite true. The seed will germinate only when it reaches the mineral soil, and if a fire runs over the ground, it just prepares the bed for the seed properly, and if you have the seed supply, you will have a better reproduction after the fire than if the fire had not gone over it. But the question is as to the damage that may be done by the fire going over it.

*By Mr. Fowke:*

Q. As to the damage by insects, has a study been made as to how serious that is?—A. We have not been able to make any very close study of it. On the Riding Mountain reserve we did study it to a little extent, because the spruce was being attacked by the insects, and about the only remedial measure we could take there would be to get the timber that was attacked out, that was all we could do. We made the closest survey on the Riding mountain, and it was in the process of that timber survey that we ascertained that the spruce was being attacked by these insects, and the only way we could see of handling it at the moment was to get the timber out. The trouble in disposing of it, is that when it is damaged it is not as valuable as if it were sound.

Q. Did the United States government not declare that the only way of correcting it was to destroy the timber?—A. That is generally the only way. It is a difficult matter to deal with. The insects are small and numerous, and it is very hard to destroy them, unless some parasite is introduced that will attack them. It is a difficult matter to deal with, except by taking away the timber. In the Black Hills in Dakota, they had trouble with insects on one of the government reserves, and the only remedy they discovered was to take the timber out as quickly as possible, and burn up any place where the insects might harbour—destroy their homes.

Q. Would your fire rangers be competent to detect anything of that sort in a particular district?—A. Our rangers might notice that trees were being injured, but they are not trained men in anything of that kind. I think that in time we may get them trained to observe matters of that kind, and perhaps be able to tell us fairly well when such injury occurs, because with the technical men on our staff now, we intend to have such things discussed. The inspector of Forest Reserves is meeting with the rangers for the Manitoba Forest Reserves at Neepawa within a few days of the present time, and he is going to discuss the whole matter of the reserve management with them, point out things of that kind, and talk matters over—a sort of school for forest rangers, and I think in that way we will gradually get them to see things, and when we find any difficulty of that kind, one of our experts will go in and make a special examination of it.

## STATISTICS.

The only statistical statements prepared by the Forestry Branch until last year were in regard to forests under Dominion administration, though statistics in regard to all parts of Canada appeared in the reports of the Forestry Association.

Mr. Stewart, then Superintendent of Forestry, in 1903, made the following estimate in regard to Dominion lands:—

‘It will be seen from the census of 1891 that an estimate is made of the area of forests and woodlands for each of the provinces and also for the territories. That of Manitoba and the Territories is placed at 722,578 square miles. Add to this 20,000 square miles of Dominion territory in the railway belt in British Columbia, and we have 742,578 square miles as the total on Dominion lands. Probably about one-fifth of this contains merchantable timber, or say 150,000 square miles, or 96,000,000 acres. After thus reducing the area and remembering that in addition to the timber suitable for lumber, a large part of it is covered with spruce, valuable for pulpwood, it can scarcely be considered an extravagant estimate to place the merchantable timber, including pulpwood, at 2,000 feet board measure per acre, or in all, 192,000,000,000 feet. We have thus arrived at a very rough approximation of the quantity of timber now fit for use on the lands owned and controlled by the Dominion.’

That was Mr. Stewart’s statement. This was merely an estimate and it remains to be seen whether it will prove true, but it was conceived on a reasonable basis. I would like to call attention to what Mr. Stewart says in regard to the timber after he took his trip down the Mackenzie. I think perhaps, I might read this part of it to the committee, and they will understand what Mr. Stewart’s idea was as to the stand of timber in that country:—

‘It would undoubtedly be misleading, with our limited knowledge of the greater part of that country, to attempt to define the areas that may, with the settlement of the country, offer profitable fields to the lumbermen. It is true that there has been for many years a good deal of travel through the country, but the routes taken are mostly confined to the great water courses. While in the country, I made diligent inquiries from those I met who are engaged by the companies, and who take the place of the old ‘coureurs des bois’ of the early days in ‘tripping’ in winter, visiting the hunting lodges of the Indians to get furs. Occasionally, some of the information obtained seemed valuable, but even these routes or dog trails are always chosen where there is the least timber to obstruct the course, generally along the lakes and rivers or through level and sparsely timbered muskegs. The Indians, being interested in the fish and game of the country, can give reliable information concerning them, but it would be unwise to make any calculations from what information can be gained from them regarding either the quantity or quality of the timber in the country.

‘I am more than ever impressed with the view that I have long held, that no more judicious expenditure of public funds can be made than what would be involved in a regular system of the exploration of our unoccupied lands.

‘So far as our present knowledge affords us a means of judging, the whole of the Arctic basin, except the barren lands of the far north and certain limited areas in the watersheds of the Athabasca and Peace rivers, which latter are prairie, may be correctly described as forest lands.

‘It must not be inferred that the whole of this vast area is timbered in the same sense that Ontario and Quebec were in the primeval state. The timber is not as large, and by no means as evenly distributed. Very frequently after proceeding a mile or less from one of the large rivers, we will enter a muskeg with only a few small scattered spruce and tamarack here and there dotting the landscape. This will probably continue until we approach a small stream draining the muskeg. As we pass down such a stream, we will frequently find very good spruce, poplar and birch along the banks, and extending for varying distances to the right and left.

‘From the information at hand, I think it quite safe to assert that the largest extent of timber in the Mackenzie basin, as well as the largest in size, is to be found

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along the tributaries of the Mackenzie which flow from the west, such as the Athabasca, the Peace, the Liard, the Nahanni and others. It must be remembered that these are themselves great rivers with many tributary streams, and the aggregate quantity of spruce, which is the principal timber tree in that region, must be very large; while trees of the same variety, large enough for pulpwood, are found in great quantities throughout the whole of the Mackenzie waters and extending all the way down to the delta of that river.'

As inquiries were constantly being made for forest and timber statistics, Mr. A. H. D. Ross, lecturer in the Forest School of the University of Toronto, was appointed last summer to gather all available statistics in regard to the forest area and forest products. Unfortunately, it was found that they were very meagre; but they have been compiled and show the state of our present knowledge.

The inquiry, however, brought out some points clearly:

(1) That no systematic or sustained effort had been made by either the Dominion or provincial governments to survey or determine their forest areas or resources. The government of the province of Ontario in 1899 made a special exploration of its northern districts. The Dominion government has been conducting, in a small way, surveys on its forest reserves.

(2) The data in regard to forest products were obtainable only for the census years, and the form in which they were published did not give sufficiently detailed or classified information.

To remedy the first difficulty, the Dominion and provincial governments will require to make systematic forest surveys, which will show the stand and condition of the timber. The province of Quebec offered, with federal assistance, to collate what material is at present available, and the province of Nova Scotia asked for the assistance of the Dominion government in making a forest survey of the province. Owing to a lack of men and money, it was impossible to consider these requests.

It may be pointed out, however, that the Federal government of the United States has assisted the states in making such surveys, particularly by giving the services of its forest officers, and there seems to be no valid reason why the Dominion government should not pursue a similar policy.

To meet the second point, arrangements are being made by the Forestry Branch to gather directly the statistics of forest products of Canada so that they may be available each year. The lumber and other associations interested in wood products, and all the trade papers have been communicated with to get their interest and support. Circulars have been prepared to be sent to lumber, pulp and paper mills, steam and electric railway companies, telegraph and telephone companies, and all companies and firms using wood products in any form. Lists of these companies and firms are being compiled, and a first effort to gather the information required will be carried out this year. It will take at least three or four years to complete the system and get results that will be full and reliable. It is proposed to publish each year reports of the results.

I may say that in this respect, we are following the lead of the United States service. They have for three or four years been gathering information and statistics of this kind, and last year they obtained statistics which could be considered almost complete and thoroughly reliable; but it took them three or four years to reach that point. In the first place it took them some time to gain the confidence of the lumbermen and the users of wood products; and in the next place it took them some time to become acquainted with the location of the mills and manufacturers, so that they could obtain full information.

## FOREST AREAS.

I have made a comparison of our estimates with those of the United States. In British Columbia, the forest and woodland area has been estimated by the provincial authorities at 182,000,000 acres, but they make no attempt to estimate the quantity of timber thereon. The only attempt at an estimate made recently is by Dr. Judson F.



Clark. He estimated the forested area at 26,720,000 acres, and the stand at 320,000,000,000 board measure, or a stand of nearly 12,000 feet per acre. There is a wide margin between the area estimated by Dr. Clark and the estimate of the provincial authorities, and it leaves the possibility of a large addition to Dr. Clark's figures of timber stand. I know that outside the area that Dr. Clark has covered, there are occasional stands of timber that run pretty high. Up in the northern and central part, I know stands that I have information of that run 40,000 to the acre, and other stands that run over 16,000 to the acre, and I think probably when we come to know what there is, we will be able to enlarge somewhat on Dr. Clark's figures. If there is not mature timber, there is wood that would be suitable for pulp, and if the forest area of the province, outside to the timber area of 27 million acres computed by Dr. Clark, is covered with pulpwood at an average of four cords to the acre, there will be 500 million cords of pulpwood.

Compared with the Pacific coast forest of the United States, as estimated by the Forest Service, which gives a forest area of 80 million acres, a stand of 1,100 billion feet, board measure, or an average of 13,750 feet per acre. This would indicate that Canada had not as large a stock as the United States. It may be pointed out, however, that before 1900 an estimate of the stand of timber on the Pacific coast of the United States was made at 1,000 billion feet, in 1900 it was reduced to 600 billion, and in 1902 to 525 billion, and it has not been restored to a little larger than the first figure. The result will probably be the same in Canada, and final inspection will place us in a better light than the present estimate shows; but it is unlikely that the quantity on the Pacific coast of the United States can be equalled.

There are two factors in favour of the Pacific states:—

1. The forests consist of Douglas fir, cedar, sugar pine, redwood and such trees, yielding large quantities per acre; while in the northern and central parts of British Columbia, the yield must generally be smaller.

2. The forests of the trees named are less easily damaged by fire than those of the smaller and thinner barked trees of northern British Columbia, which, have therefore probably been destroyed to a greater extent.

In those forests of Douglas fir, an ordinary forest fire does not do very much harm. It cannot get through the thick bark.

*By the Chairman:*

Q. On the Pacific side of the slope?—A. Yes.

Q. There is a wet undergrowth, too?—A. Yes, but the trees are large and are protected by the heavy bark. The only danger in a country like that is after lumbering operations, since the debris is left, the fire becomes fierce and hot. I might say, while we are talking about fires, we are inclined always to speak about fires in connection with the destruction of the mature tree, but when matured trees are destroyed, you can generally take out a very large proportion of what is damaged, unless it is a severe fire. If it is taken out within the year, it can be used to a considerable extent; but when the young trees are burned, they are absolutely gone; we can make no use of them whatever, and we have to start the process all over again from the beginning.

In regard to Dominion territory, Rocky mountain and northern territories, the estimate made by Mr. Stewart for this territory is 96 million acres, with a stand of 192 billion feet or two thousand feet per acre. In the absence of any other estimate, this may be accepted for the present. Compared with the Rocky mountain forest of the United States which is computed at 100 million acres with a stand of 300 billion feet, the United States in this region, have a larger area and a much better stand. It may be pointed out that the estimate of the stand for the Rocky mountain district for 1900 was 100 billion feet. It was reduced to 30 billion in 1900, and it is now 300 billion.

I desire to point out that until we are able to estimate closely, and know absolutely what we have, we are bound to have large variations in estimates.



## APPENDIX No. 4

*By Mr. McLean:*

Q. How do they make the estimates? Do they estimate all the lumber on the land, and how small do they go?—A. You mean in the United States?

Q. Yes. You say 12,000 feet per acre. Do they estimate the merchantable lumber down as low as five or six inches?—A. I think the estimates of the United States are based on merchantable timber so far as I know. I have not had an opportunity of going into it with the United States people to find out what basis they proceed on.

Q. Perhaps they go as low as five inches?—A. It may be as low as that.

In Ontario, there is no complete official estimate of the forest areas or of the stand of timber. The estimate runs variously. I think about 80 or 90 billions is Ontario's forest, but the pulpwood was estimated by the expedition sent out to the north country at 300 million cords, and an estimate of the pine is made at 20 billion feet. I think that is about right because it was made carefully.

*By the Chairman:*

Q. Twenty billion feet in the province of Ontario?—A. Yes, it is not a very large quantity to have to draw upon.

Q. It is getting pretty small?—A. That is the estimate given by the Deputy Minister of Lands and Forests of Ontario.

Q. I thought it was 35?—A. Twenty was his last estimate. There have been several estimates given varying between twenty and forty, but suppose it is forty billion feet, it is not a very large quantity when you consider the matter. The reason we begin to understand where we are at now, is the fact that the United States have begun to reach a fair idea of what they use and what there is left. The figures they have been compiling during the last three or four years in regard to the use of forest products, have taught us how much use is being made of these products, and we are beginning to see what a drain there is on the timber resources.

*By the Chairman:*

Q. It was stated in an address the other day, that the highest estimate of timber for the United States was 2,000 billion, and their annual consumption 100 billion. Thirty billion was allowed for growth, leaving a net consumption of 70 billion, which would be a trifle less than 30 years' supply at the highest estimate. Do you know how much the annual cut of white pine in Ontario is?—A. I have not pine separately. There are 936 million feet according to the provincial returns. Of course there may be some on private lands.

Q. About a billion?—A. About a billion, I suppose.

*By Hon. Mr. Fisher:*

Q. That is all kinds?—A. Yes.

*By the Chairman:*

Q. But nine-tenths of it would be pine?—A. Yes. There is no estimate made by the Ontario provincial authorities, but for the United States they give for the northern districts, an area of 90 million acres, and a stand of 300 billion feet, and I think probably Ontario might off-set that northern district fairly well. I think probably when you come to take in everything, Ontario might run 300 billion feet. That is including pulp wood and everything.

## QUEBEC.

For Quebec, the only general estimate that has been made is that of Mr. J. C. Langelier, and it was published by the provincial authorities in the absence of exact information. It shows a forest area of 130 million acres, and a stand of 479 billion feet, board measure, or an average of 3,500 feet per acre. The stand is estimated to be

made up as follows: Pine, 40 billion feet, board measure; spruce, hemlock, &c, 118 billion feet; hardwoods, 21 billion feet; pulpwood, 600 million cords or 300 billion feet.

This might be set off against the southern forest of the United States, which is given as containing 150 million acres with a stand of 550 billion feet, board measure, but would leave Canada somewhat behind.

When we compare the estimate of 40 billion feet of pine with Ontario, I think it will be found a little large, because Ontario probably has as much pine as Quebec. Either Quebec's estimate is a little large, or Ontario's estimate is too small. I think Ontario's estimate has been made a little more carefully.

*By the Chairman:*

Q. The estimates from Quebec show great discrepancies?—A. Yes.

Q. I examined several estimates, and I found the official report giving 150 billion feet of white pine, and the Chief Forester's report, six months afterwards, said only 75 billion?—A. That goes to show that we know practically nothing about it. Every man has a guess coming to him. I do not think our stand is anything like as good as in the southern states from what I can learn about it. They have a good continuous stand of pine there that is better than anything we have left here.

Recently, an inquiry was made by the Admiralty as to the reason why the quality of the timber, that they were getting from Canada for Admiralty purposes, was deteriorating and the quantity offered growing less, while the prices seemed to be increasing. I made inquiries of the provinces of New Brunswick, Quebec and Ontario before preparing a reply. Quebec said they had made no inquiry into the matter; New Brunswick did not have anything much more to say, and Ontario did not give any answer at all; so I prepared a reply stating, that the reason, so far as I could judge, was the fact that the timber was getting scarcer and more difficult to reach, and that we did not have the quantity and quality we once had. They asked also, if there was any new field likely to be opened up. I replied that we knew pretty well where the forest areas of Canada were, and I did not see much probability of any new area being opened up. The only new places in Canada where they might get it, where they had not been getting it before, was the province of British Columbia.

Q. Do you remember what class of timber they were getting?—A. Pine.

The forest area of New Brunswick is officially stated at 7,250,000 acres.

*By Mr. McLean:*

Q. It is estimated that New Brunswick owns about 8,000,000 acres of forest lands. That does not take into consideration land owned by private parties. The New Brunswick railway had a land grant of 1,700,000 acres, and that added to large blocks owned by private parties would represent an area altogether of about 2,000,000 acres. The estimated cut for this year is 120,000,000 feet of spruce?—A. I am taking the figures furnished to me by the officials.

Q. Do you not think that the figures are only for the areas owned by the province itself?—A. They are given as figures covering the forest lands generally. The figures are furnished by an official of the government.

Q. Probably you have written to an official who replied that the province owned that much. The area is estimated roundly at 8,000,000 acres?—A. I shall be very glad to see the area increased, but that is what was given in papers read at the meeting of the Forestry Association.

Q. Gibson & Co. owned 300,000 odd acres in freehold?—A. If we can increase the area and the quantity, it would be a good thing. I am taking the figures as they were furnished. We do not know anything directly of New Brunswick, and we have to take the figures sent us. The stand of timber in New Brunswick is estimated at 22 billion feet, board measure, or 3,200 feet per acre. The stand of spruce is put at 13 billion feet; of pine at  $2\frac{1}{2}$  billion, and of hardwood at  $4\frac{1}{2}$  billion.

## APPENDIX No. 4

The forest area of Nova Scotia is put at 5,000,000 acres, and the stand of timber at 12 billion feet, or 2,400 feet per acre. Spruce is estimated at  $5\frac{1}{2}$  billion feet, hemlock at 4 billion, and hardwood at  $1\frac{1}{4}$  billion.

The forest area of Prince Edward Island is estimated at 480,000 acres and the stand at 600 million feet, or an average of about a thousand feet to the acre. Totaling the maritime provinces, there is an area of 12,730,000 acres with a stand of 34,600,000,000 feet, board measure. Offsetting this against the estimate of the United States for the central district, it will be found to make no comparison whatever. The central district of the United States is estimated to comprise an area of 130 million acres with a stand of 252 billion feet, an average stand per acre of about 2,000 feet, board measure.

In summing up, it can only be said that there is not the information available at present for a reliable estimate, either of the forest area or of the stand of timber. The forest area may be placed at 500 million acres, of which half may be covered with timber suitable for sawing into lumber, while there are in addition large quantities of pulpwood. With the present production and export, the supply may last indefinitely, but with the steady increase of population and domestic demand, the import required by Europe which is a net amount of at least  $2\frac{1}{2}$  billion feet, and the demand that will soon come from the United States, which is exemplified in the rapidly increasing pulpwood export, the outlook for the future is not encouraging.

In comparing the records of the United States with those for Canada, it will be seen that the total area for the former is given as 550 million acres, 200 million acres of which are mature timber; so that as far as forest area is concerned, the two countries are nearly equal. The division in regard to the title to the forest lands, in the United States is as follows:—

Farmers' woodlots. . . . .	200	million acres,	300	billion ft.
Large private holdings . . . . .	235	"	"	1,700 "
Public forests. . . . .	115	"	"	484 "

From the fact that the farmers' woodlots show such a large area and stand, it will be seen that the gathering of information has been done on a thorough basis. From present information, it would look as if on the best expectations, the forest resources of the Dominion will not be found, even on a thorough survey such as has been made in the United States, and the inclusion of all possible stands of timber, to have a forest resource nearly equal in quantity and quality to that standing in the United States. I understand that the United States are not satisfied even with the information they have, but are proposing in connection with the next decennial census to have a thorough timber census of the whole country, and they hope to get complete figures. I may say, too, that while our knowledge is not very definite here, it cannot be otherwise for some time to come, until we have covered all the timber areas fairly well. The only possible way to get that information is to go on and make surveys such as I have indicated.

## TREE PLANTING ON THE PRAIRIES.

Now, one other matter that comes under the Forestry branch is the tree planting on the prairies. There are a few figures here which will show in a general way what has been done. In 1901, the department arranged a system of furnishing trees free to farmers on the prairies for planting as wood lots and shelter belts. It is considered that this action is justified from the general benefits derived from the planting of trees, and that the work should be done by the Dominion government as it controls the lands in the provinces. The establishment of windbreaks and plantations makes it possible to raise a great diversity of crops with increased yields. They will eventually supply fuel and fencing material, where at present such cannot be obtained, except at great expense or inconvenience, will change the bare and uninviting aspect of the prairie and make it attractive for settlement, will establish homes with comfortable surroundings, and generally tend to the happiness and welfare of the whole community.



In planting trees on the prairies the great secret of success is careful cultivation. Every applicant for trees is therefore required to have his land carefully cultivated before trees are sent to him, and must undertake to continue cultivation for at least two years after the trees are sent out. To ensure that these conditions are observed, an inspection is made by a departmental inspector before the trees are sent out. These inspectors are trained men of some experience in the west. They see whether the land is prepared properly, advise as to the location of the woodlots or shelter belt, and the species which should be planted. After the trees are planted they are inspected for two years to see that they are properly cared for, and how they have succeeded. The percentage of success is, in general, 85 per cent.

The following table, showing the number of trees distributed, the number of applicants supplied, and the number visited each season, readily shows how quick the western settlers have been to take advantage of government assistance in tree planting as soon as it was demonstrated that such work would not mean simply a waste of labour:—

	No. of applicants on inspectors' list visited during previous summer.	No. of settlers supplied with trees.	No. of trees distri- buted.
1901.....	54	47	58,800
1902.....	550	421	468,800
1903.....	1,070	616	920,000
1904.....	1,649	1,020	1,800,000
1905.....	2,218	1,122	2,000,000
1906.....	2,900	1,127	2,034,125
1907.....	3,750	1,371	2,000,000
1908.....	3,206	1,424	1,900,000
Totals .....	15,333	7,148	11,181,825

The number of trees now distributed, planted according to the regulations of the Forestry Branch, namely, at the rate of 2,270 trees per acre, would cover an area of 4,925 acres.

There are ready for distribution this spring.—

Manitoba maple .....	1,575,375
Green ash.....	734,000
Cottonwood.....	256,000
	2,574,375

Also thousands of cuttings of willow and Russian poplar.

The main objects of the present free distribution of trees by the Forestry Branch may be briefly summed up as the following:—

1. To disseminate, as widely as possible, correct information as to how to plant, and what varieties to plant to achieve success.
2. To establish absolute proof, in the shape of successful plantations, as to the practicability of tree planting.
3. To encourage thereby a more general interest throughout the prairies so that every settler will, in time, do a certain amount of planting, by the beneficial effects of which the whole country is a gainer.
4. To demonstrate to the settler the fact that he can, to a great extent, raise his own fuel and fencing material on his own farm, at a much less expense, than he is now put to purchase what he requires.



## APPENDIX No. 4

The following are the varieties of trees sent out by the Forestry Branch with the percentage indicating in what proportions:—

	Per cent.
Manitoba maple or box elder ( <i>Acer negundo</i> ).. . . .	30
Native green ash ( <i>Fraxinus viridis</i> ).. . . .	45
Americal elm ( <i>Alnus Americana</i> ).. . . .	9
Dakota cottonwood ( <i>Populus deltoides</i> ).. . . .	11
Golden and acute leaf willows.. . . .	4½
Russian poplar.. . . .	½

With the exception of the Dakota cottonwood, all this stock is grown on the Dominion government's nursery. The cottonwoods are imported from Dakota, where they grow naturally on the river bars. They are laid down at our nursery extremely cheap, and in good condition. This variety can only be propagated commercially from cuttings, but this method would be far more expensive than importing the seedlings. The area from which such seedlings may be collected, is somewhat limited, as stock grown in the states south of Dakota, would not be at all satisfactory for planting in the Canadian northwest. The shippers state that the natural supply of cottonwood seedlings is becoming annually less, due to the fact that the most of the large seed trees along the rivers are being rapidly cut off. If later on, it becomes impossible to obtain seedlings from Dakota, it will be necessary to undertake the propagation of this variety from cuttings on the nursery.

The golden and acute leaf willow are both extremely hardy and rapid growing sorts, most suitable for prairie planting—these are propagated only from cuttings, and until a good stock is established on the nursery from which cuttings can be obtained, the number for distribution cannot be greatly increased.

The Russian poplar is a fast growing tree, but it is not so generally suitable as the other kinds. It is found to be subject to rot and decay, when ten years of age and older, especially on the richer soils. On the whole, it cannot be considered a satisfactory tree for general distribution, and is only used when conditions seem specially suited to its growth, as for instance on poor and sandy soils and somewhat dry situations.

The Manitoba maple are sent out as one year seedlings, the ash and elm at two years old.

The seed of maple, ash and elm is collected if possible in Saskatchewan, generally along the Qu'Appelle valley in the neighbourhood of Indian Head. If, owing to any reason, there is no seed there, an effort is made to get it from Manitoba. Sometimes, owing to very unfavourable seasons, the seed crop is a total failure over the whole west. This was the case in 1906, when it became necessary to import maple seed from North Dakota.

The elm is probably the most valuable tree, and it is unfortunate that there is so much difficulty experienced in collecting seed of this variety. Seed years are irregular, and when there is a good crop of seed, the time during which it may be collected is extremely short. The seed is light; and as soon as it is ripe, very little wind is required to blow it all off the trees. For this reason, and because the seed cannot be stored for any length of time without losing its vitality, there is no certainty of raising a crop of seedlings every year; and even in the best seasons, only a limited supply of seed can be procured. That is unfortunate, because it is one of our most valuable trees. It grows fast and easily. There is not much difficulty growing it once you get it going. It has succeeded very well in all parts of the west wherever we have planted it.

The CHAIRMAN.—On Broadway, Winnipeg, as long as 27 years ago, they planted young Manitoba maples, and they grew fairly well until they got to be about ten years old, and then they began to get stunted and did not make growth. About 15 years ago they put in a lot of young elms about as large around as my finger, and at that time the maples were four or five inches thick. Now the elms are bigger than the maples, considerably larger and growing very fast.

*By an hon. Member:*

Q. Another thing about the elms on Broadway, they apparently all grow. They do not seem to die out. The maples die, but the elm seems to grow right along?—A. The only advantage about the maple is, it grows almost anywhere and grows very fast. It furnishes shelter very quickly on the prairie.

*By the Chairman:*

Q. It grows fast for a while. It seems to have two periods of growth; it grows fast for a while and then it will stand, but if it gets over that, after a period of years, it seems to take a fresh start and will then grow to be a big tree. What about the poplar? Have you planted many of the ordinary poplar?—A. No, we have not used the ordinary poplar at all. Cottonwood is the only poplar that we have used.

Q. What is your reason for not using the native poplar?—A. It can be got so easily, almost everywhere that we have not thought it necessary to undertake to supply it.

Q. For firewood and windbreak, I should think it is the best tree you could have, because it is pretty nearly a sure crop?—A. It is a sure crop.

Q. And it is splendid firewood?—A. Yes, the aspen poplar, what is called white poplar in the west, is a very good tree, it is found almost everywhere, and we did not think it necessary to undertake to supply it; moreover, it is difficult to gather the seed.

Q. Did you ever try hickory?—A. We have not tried hickory on our nursery station. They have tried it on the experimental farm; it has not been very successful there.

Q. You have not tried it out west?—A. Not at our nursery station, but they have tried it on the experimental farm at Indian Head.

Q. What success has attended the experiment?

Hon. Mr. FISHER.—I could not give you the report on it.

The CHAIRMAN.—Hickory is commercially a very valuable wood. It is disappearing, and it will always have an increased market value. It is used for special purposes, such as the manufacture of wagon and buggy spokes.

Hon. Mr. FISHER.—It is not a fast grower.

The CHAIRMAN.—I have had a rather peculiar experience myself with hickory on my own place on the St. Lawrence. When I got the place there had never been anybody on it since the flood. I found a lot of young hickory trees on it, which were mostly stunted; that is to say, a good many of them were evidently old trees, but they had not grown large. I cleaned out the place, cut all the old dead pines and underbrush, and it is absolutely astounding the way those hickory trees have grown. They simply have been growing like weeds. Some of them have grown so fast that they have split the bark; the bark was old and tough. I want to ascertain whether the department have taken any steps to experiment with hickory, because if they have not, I think they ought to do so. If they could get hickory to grow in plantations, it would be a very valuable wood.

Hon. Mr. FISHER.—I think the growth of hickory depends very much upon the soil. You sometimes come across a grove of hickory in one particular place in a district, and you will not find it anywhere else in the neighbourhood. It is not a generally dispersed tree.

The CHAIRMAN.—Where I lived when I was a child, we had a great deal of hickory. It does not grow in groups there, but you find odd trees in the woods. I am speaking of the county of Lambton. It was a hardwood forest originally, and where you find any woods, there are all kinds of hardwood trees and, among them, you find a few scattered hickory trees, but no clumps of hickories.

Hon. Mr. FISHER.—My observation in the east is that the hickory grows in clumps in certain places. That is the case all throughout eastern Ontario and Quebec.

## APPENDIX No. 4

The CHAIRMAN.—The larger portion of the county of Lambton was originally a level swampy district.

WITNESS.—I have never seen any but the bitter hickory tree here.

Hon. Mr. FISHER.—We have the sweet variety also.

The CHAIRMAN.—Under some circumstances, it grows very fast and it is a valuable wood.

Hon. Mr. FISHER.—On the island of Montreal, and some of the volcanic slopes that rise on the plains of the St. Lawrence, there are a good many of the sweet hickory variety.

The CHAIRMAN.—A suggestion was made some years ago in the House that the department should try if hickory would not grow on the western prairies. I do not remember if it was ever tried.

WITNESS.—We can easily make the experiment.

Mr. McLEAN.—Has any evidence been given as to the danger of fires from the railroads running through forest lands?

The CHAIRMAN.—Yes, we took that up last time and we intend to consider it further.

Mr. McLEAN.—It is a live question with us in New Brunswick now with the National Transcontinental Railway under construction.

The CHAIRMAN.—We intend to invite some of the National Transcontinental Railway commissioners to explain to us what they are doing to prevent the spread of forest fires.

Mr. McLEAN.—The state of Maine has had a great deal of trouble from that cause. Would it not be advisable to ask some of those who have undertaken to protect the forests of Maine to come here and give evidence?

The CHAIRMAN.—If there is an expert who can give us valuable evidence on the subject, we should like to hear him.

Mr. McLEAN.—I have an expert in view. He is a fire commissioner in Maine, and has made a practical study of the subject.

Hon. Mr. FISHER.—One of the first things to be done in that respect is to get one of the officers of the National Transcontinental Railway Construction commission here, and he will tell us what they are doing. They have done a good deal I know.

WITNESS.—All the stock in the government nurseries, except cottonwood, is raised in the nurseries there. From 1901 to 1904 the experimental farms at Brandon and Indian Head kindly gave the use of a small portion of land. As work increased it was found necessary to enlarge the operations, and in 1904 work was commenced on 160 acres near the town of Indian Head. It is there that the present forest nursery station is established. In 1903 this quarter section was unbroken prairie, and it is somewhat slow work to get the soil under a suitable state of cultivation for nursery purposes. It is also necessary, in order to be successful in raising nursery stock, to have good shelter. This, of course, takes a few years to establish. As soon as this nursery station is used to its full capacity, it is expected to raise annually for distribution about four million seedlings and cuttings.

The following areas were occupied during the growing season of 1908 with the various classes of stock:—

## Broad Leaf—

	Acres.
1 year old Manitoba maple.. . . .	19
1 year old Manitoba maple.. . . .	18
2 year-old green Ash.. . . .	11
1 year-old green Ash.. . . .	16
1 year-old American elm.. . . .	1½
Planted to willow cuttings for propagating stock.. . . .	3
Planted to Russian poplar cuttings for propagating stock.. . .	1



Conifers—	
Transplanted native tamarack. . . . .	1
Transplanted evergreen conifers. . . . .	2
Conifer seed beds. . . . .	$\frac{1}{2}$
	<hr/>
Total under nursery crops . . . . .	55

I may say that the cost of all this work for last year was about \$19,000.

*By Hon. Mr. Fisher:*

Q. That is just the tree distribution?—A. Yes, the nursery station, inspections, and everything in connection with it.

Q. How much have you for the Forestry Branch?—A. Altogether one hundred thousand dollars.

Q. Besides the Civil Government salaries here?—A. Yes, that is besides Civil Government salaries here.

SAMPLE PLANTATIONS.

Besides the raising of nursery stock, it is intended at this nursery station to make thorough and extensive trials of all such trees as are likely to be at all suited for prairie growth, but which are at present not sufficiently known. Small plantations situated side by side, of all hardy varieties, will be set out in a convenient place for visitors to inspect them so that they can readily compare one variety with another, and form their own opinions as to what advantages one has over the other for any particular purpose.

Last spring several small exhibition plots were set out, containing 100 trees each, set 4 by 4 feet. The plots are arranged side by side in order that one variety may be easily compared with another.

Pines—	Larch—
Scotch,	Tamarack,
Cembra,	European,
Dwarf Mountain,	Siberian.
Lodgepole,	Spruce—
Jack.	White (Nativa),
Cedar.	White (Dakota),
White Birch.	Colorado.

PERMANENT PLANTATIONS.

It is also proposed to establish permanent plantations of considerable extent. These will be made up of all the known hardy varieties which will be planted both pure and in different mixtures. Accurate notes will be kept as to any expenses in connection with these plots, such as cost of planting, cultivation, &c. Careful measurements will be made from time to time, and as soon as it is advisable to do so, cutting will be made. In this manner information can be secured as to what varieties are most profitable to raise for fuel or for fence material, &c., the cost of planting and establishing prairie plantations can be accurately arrived at, and other information of great practical benefit to every farmer living on the treeless plains. What is necessary is, to be able to say definitely, just how much it will cost him to plant, just how long it will be before he can cut his trees at a profit, and also to show him why it is better to plant this variety, and why it is to his advantage to plant and cultivate in a certain way. He then has something definite to go on. The individual farmer has neither the time nor money to experiment in this way for himself, nor has he the incentive or facilities for disseminating the results of his experience, so that others may benefit from his work. It is as clearly the duty of the government to work along these lines, as it is to experiment with agricultural crops. Such information



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can only be secured after a number of years, but it can be obtained in no other way than by establishing such plantations as those proposed on the nursery station.

Already some 40 acres have been planted. The original nursery (160 acres) has been added to by taking in an adjoining quarter-section. This is a somewhat rough piece of ground not well suited for raising nursery crops, but admirably adapted for permanent plantations. It is proposed to use the greater portion of this 160 acres for that purpose.

## CONIFERS.

Up to the present but little has been done in the west in the way of extensively propagating and planting conifers. The conifers are undoubtedly the most valuable trees that can be used. The evergreens especially, are useful in the west, from the fact that they retain their leaves during the winter, form very dense and compact belts for shelter purposes, and after once becoming established, they can withstand severe droughts better than the broad leaf varieties. The native evergreen conifers are comparatively rapid growers, once they take hold; they are long lived, and the wood produced by them has a high fuel value, and in the case of the jack-pine is very useful for fence posts and railway ties.

The native larch or tamarack is a tree which gives great promise as a most valuable variety for general planting. The seedlings seem to stand transplanting exceptionally well, and after planting, the growth is sturdy and rapid. Though this variety has not been widely tested, still there is no question as to its tardiness. It is likely to prove most successful on the better soils in the districts where the annual rainfall is not too small. Roughly speaking, it should prove successful anywhere east of Moosejaw, and again in the further west along the eastern slope of the mountains as far as the line of railway running from Macleod to Edmonton. In the drier districts between Calgary and Swift Current, it is doubtful whether the larch would be useful.

The white spruce and the jack pines (*pinus murrayana* and *pinus divaricata*) can be recommended for general planting anywhere, though in handling and planting these varieties, somewhat more care and knowledge of tree culture is required than in the case of the broad leaf kinds.

The conifers will be thoroughly tested on the nursery stations, and it is hoped we may be able to work up a stock for general distribution by 1911. As compared with such varieties as maple and ash, nursery culture of conifer seedlings and transplanting are expensive. The seed has to be sown in specially prepared beds, which during the first two seasons must be shaded from direct sunlight. In two years, the little plants may attain a height of from 3 to 5 inches. In the third year the seedlings are moved from the seed beds, and transplanted into other beds where they are given more room to grow. After two or three seasons in the transplanting beds, they are usually large enough to set out in permanent plantation. The length of time they have to remain in the nursery, and the amount of hand labour necessary in their transplanting and cultivation, adds much to the cost of these coniferous plants.

*By the Chairman:*

Q. As a result of these operations, what is the total number of trees now growing in the Northwest?—A. We have distributed about eleven millions, and eighty-five per cent of those were reported to be all right from the inspection of our officers. We are establishing some permanent plantations on the nursery stations, and last spring we set out quite a number of acres in that way. Perhaps it would be of interest to see what percentage of success there was in connection with that permanent plantation. I may say the conditions were not the best. We have to handle the stock we are shipping in the spring, about the time the planting ought to be done, and the result is we have had our planting either a little early or a little late, and the result is not as good as we would like to have it.

I have here a statement of the permanent plantations, the planting of 1908:—

Variety.	No. of Trees Planted.	Per Cent Died
Willows (cuttings).....	9,832	46·4
European Larch.....	2,406	22·2
Tamarack.....	12,015	2·1
Ash.....	13,308	5·4
Lodgepole Pine.....	5,745	9·8
Scotch Pine.....	3,244	4·3
Manitoba Maple.....	3,003	3·7
Elm.....	5,381	1·6
Cottonwood.....	6,906	17·6

The soil was fresh backsetting, ploughed a third time. The willow cuttings were damaged a great deal by gophers which cut off the young shoots as soon as they appeared above the ground. The cuttings were also set early in spring, while the ground was still very cold, some three weeks before the general planting was commenced. Had the cuttings been set later in the season, it is not likely that there would have been the same percentage of failures.

It is interesting to note the difference in the death rate between the European larch and native tamarack, the latter being only 2·1 per cent.

I have also a statement of the permanent plantations which is as follows:—

	Feet.
1904—Main belt of Manitoba maple, cotton-wood and willow.....	3 x 3
Plantation No. 1, tamarack and white spruce.....	3 x 3
1905—No. III, tamarack, Scotch pine and white spruce..	3 x 4
No. XI, European larch.....	3 x 3
No. XII, maple, cotton-wood, elm, European larch, tamarack, white birch.....	4 x 4
No. XIII, Scotch pine and white spruce, under large maples and cottonwoods.....	4 x 4
1906—No. II, Scotch pine and white spruce, alternate rows.	3 x 4
No. IV, Scotch pine (French stock) ..	3 x 4
No. V, Scotch pine (stock grown at Indian Head)..	3 x 4
No. VI, cottonwood ..	3 x 4
No. VII, cottonwood and Manitoba maple, alternate rows.....	3 x 4
No. VIII, Manitoba maple and white birch, alternate rows ..	3 x 4
No. IX, American elm and green ash, alternate rows.	3 x 4
No. X, Russian poplar ..	4 x 4
1908—No. XIV, white willow ..	3 x 3
No. XV, golden willow.....	3 x 3
No. XVI, acute leaf willow.....	3 x 3
No. XVII, European larch, green ash, alternate rows.....	3½ x 4
No. XVIII, tamarack and green ash, alternate rows.	3½ x 4
No. XIX, tamarack.....	3½ x 4
No. XXIII, tamarack and Manitoba maple, alternate rows.....	3½ x 4
No. XX, lodgepole pine.....	3½ x 3½
No. XI, lodgepole pine and green ash, alternate rows.....	3½ x 3½

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No. XXII, Scotch pine and green ash.. . . .	3½ x 3½
No. XXIV, American elm . . . . .	3½ x 4
No. XXV, cottonwood.. . . .	3 x 3
No. XXVI, cottonwood, birch, tamarack, ash, maple and willow.. . . .	4 x 4

## PLANTATIONS OF CONIFERS.

	Seedlings age in years.	Seedlings Transplanted in years.
<i>Spruce:</i>		
White ( <i>Alba</i> ).....	1, 2 and 3	8
Sitka ( <i>Sitchensis</i> ).....	2	10
Colorado ( <i>Pungens</i> ).....	2 and 3	10
Ajanensis ( <i>Jap.</i> ).....	1	1
Norway ( <i>excelsa</i> ).....	1 and 2	4
" ( " <i>septentrionalis</i> ).....	1 and 2	4
<i>Pine:</i>		
Jack ( <i>Banksiana</i> ).....	1, 2 and 3	4
Lodgepole ( <i>Murrayana</i> ).....	1, 2 and 3	4
Rocky Mt. ( <i>flexilis</i> ).....	1	3 to 6
Bull ( <i>ponderosa</i> ).....	1	3
Red Norway ( <i>Bresinosa</i> ).....	3	6
Scotch ( <i>sylvestris</i> ).....	1, 2 and 3	6
Cembra.....	1	3 to 6
Dwarf Mountain ( <i>Montana</i> ).....	1	6
<i>Fir:</i>		
Douglas ( <i>Mucronata</i> ).....	1	5
Balsam ( <i>balsamica</i> ).....	1	5
Nordmann's ( <i>nordmanni</i> ).....	1	3
..... ( <i>concolor</i> ).....	1	3
<i>Larch:</i>		
Tamarack ( <i>Americana</i> ).....	1	10 ft. high.
European ( <i>Europea</i> ).....	1	1
Siberian ( <i>Sibirica</i> ).....	1	1
Septolepis ( <i>Jap.</i> ).....	2	6
Red Cedar ( <i>Juniperus Virginiana</i> ).....	1	6
Dwarf Juniper ( <i>Communis</i> ).....	1	6

I think these are the main things I have to bring before the Committee.

The CHAIRMAN.—I wish you would prepare or have prepared, so that you could give it to us at some future time, a map, showing the land on the eastern slope of the Rocky mountains, that would be available for an extension of the park. When we discussed that subject before, I asked if it would not be desirable to enlarge the park. It would be of interest to us to know what land is available. We could not make a recommendation without having that information. I want the statement to cover the slope of the mountain, between the International boundary line, and say the Peace River valley.

WITNESS.—That would be to the British Columbia boundary?

Hon. Mr. FISHER.—From the British Columbia boundary down to the plains.

Mr. Fowke moved that 5,000 copies of the evidence taken before the committee be printed.

The motion was agreed to.

The Committee adjourned.





### PART III.—FIRE PROTECTION ALONG LINE OF NATIONAL TRANSCONTINENTAL RAILWAY.

COMMITTEE ROOM No. 34,  
HOUSE OF COMMONS,  
TUESDAY, April 27, 1909.

The Select Standing Committee on Forests, Waterways and Water-powers met at eleven o'clock a.m., the chairman, Hon. Clifford Sifton, presiding.

Mr. P. E. RYAN, secretary Transcontinental Railway Commission, called.

The CHAIRMAN.—Mr. Ryan, what the committee want to learn from you is what steps are being taken to prevent the destruction of forests by fire along the line of the National Transcontinental Railway.

A. At the opening of the first season, what might be called the first fire season, after our operations were under way, would be the summer of 1905, the Commissioners issued a pamphlet in book form containing instructions to their engineering staff with respect to the observance of the laws and regulations in force in the various provinces in which their employees were operating, viz.: Manitoba, Ontario, Quebec and New Brunswick, and a summary of the laws of these provinces with respect to the preservation of the forests from destruction by fire was included in the pamphlet. These pamphlets were placed in the hands of all the engineers engaged in the surveying of the line, with instructions that the laws and regulations must be strictly observed; in addition, the summary of these laws, printed on linen, was distributed to our engineers, with instructions that they be posted in prominent places, so as to act as a constant reminder of the necessity for the exercise of every possible care for the prevention of forest fires. All the contracts subsequently entered into between the Commissioners and the several contractors for the construction of the line contain the following provisions:—

‘(a) Special precautions must be taken by the contractor at his own expense to prevent fires, and the labourers in his employ shall be subject to the direction of the engineer in the event of their aid being required by the engineer to extinguish fires occurring in proximity to the right of way.’

and

‘(b) The contractor shall conform to the fire regulations adopted by the Commissioners, and also to the laws and regulations respecting fires in the different provinces wherein the work is being performed.’

New Brunswick is the only province in which the Commissioners provide their own fire ranging service, and in that province, where the line runs through a bush country, on each residency of every eight to twelve miles in length, there is a party consisting of a resident engineer in charge, and seven to ten men stationed about the centre of each section. In addition two men act as fire wardens and constables, and patrol the line twice a day, each starting from the residency and going in an opposite direction to the other. In case of fire, these rangers have the power to call on all workmen to assist in extinguishing it. This system has worked perfectly, and no fires of any consequence have been reported since its institution.

In the province of Quebec, the provincial government appoint the fire rangers, and the commissioners, the timber limit holders, and the provincial government each pays one-third the cost of the service. In Ontario also, the fire rangers are appointed by the provincial government. Under the first system which we had in force in the province of New Brunswick last year, we had 34 or 35 fire rangers actually engaged.

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Each of these men patrols five miles on each division, passing through the wooded country. On the other five miles, or the other half of the residency, the timekeepers acted as fire rangers, and each of these fire rangers had also the powers of a provincial constable. I think, I mentioned before, that we had no fires originating on our line last year that were not controlled and extinguished by our own men.

*By the Chairman:*

Q. Does that apply to the whole line?—A. That applies to the whole line. We had no fires originating on our line on the eastern division. In this connection I would like to read an extract from a letter which we received in February last—

*By Hon. Mr. Fisher:*

Q. By 'eastern division,' you mean the whole way from Winnipeg to Moncton? —A. Yes, sir. This is an extract from the letter of the Deputy Minister of the Department of Lands and Forests of the province of Quebec, dated February 2, 1909:

'I may say that the system upon which the rangers worked last season, gave better results and more satisfaction than anything we have heretofore tried. The men were under the close observance of the limit-holders, and in consequence the work was properly and efficiently performed, thus all interested parties were well pleased.'

I will submit to the committee a copy of the pamphlets which I have referred to, one dated June 1, 1905, and then a revised one dated June 1, 1908, and the posters which I referred to as being put up on trees—that is for Quebec, that for New Brunswick, and that for Ontario.

(Documents produced and filed.)

While our investigations proved that we had no fire originating on our line, we did have allegations made that fires occurred on our line. As showing our co-operation with the provincial authorities, I will read a letter from the Minister of Lands, Forests and Mines for the province of Ontario:—

TORONTO, April 9, 1908.

DEAR SIR,—I have to thank you for the information which you so kindly sent to my deputy as to contracts let by your commission in our province, together with the names of the contractors. You will, no doubt, appreciate how anxious we are about the safety of the forest along the line of construction of your railway through Ontario, and I am sure, will give us every assistance in your power towards preventing forest fires. I have read the particular specification which deals with the clearing of the right of way, and I think it is admirably calculated to reduce the danger incident to the use of fire in clearing the right of way in the summer time, if the precautions are carefully observed. The danger will be, unless some very strict supervision is exercised by some one in authority, either a non-observance of the requirement or carelessness as to burning the timber on right of way.

I do not know whether you intend to put on any special officers to see that the specifications are strictly observed. We are intending to put fire rangers along the line of your construction, with an officer in charge, and we would be delighted to have our officers work in harmony with your engineers or other officials on the work. The interests of the province in its forest wealth are enormous, and your railway will ultimately benefit largely by the traffic to be drawn from the timber, if the forest wealth is preserved from destruction. Therefore, I feel sure of your strong sympathy and assistance in all ways in our endeavour to protect the timber. There will be a number of men employed as navvies, who will be using fire for various purposes, and this will be a great source of danger. Even the use of matches by smokers may be a prolific source of fires. I would suggest to your consideration the issuing of circulars to engineers, contractors, sub-contractors and foremen requiring

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them to warn the men on the work to be careful of the use of fire, and particularly to pre-caution any of them as to the danger of throwing matches in the dry debris. I quite realize how difficult, if not impossible, a matter it is to watch large numbers of men employed in work of this kind. The only thing we can hope to do is to inculcate a spirit of care that will have a good effect.

I regret to tell you that our reports show that a large quantity of timber was burnt along the line of your surveys east of Lake Nipigon and through that country last summer. I am satisfied you gave every instructions to your surveyors as to the exercising of care, but in spite of all this, large quantities of timber, I am told, have been destroyed. I am writing you for the purpose of informing you as to what we propose doing, and of enlisting your sympathy and getting any suggestions you may have to offer.

Yours truly,

(Sgd.) F. COCHRANE.

E. Parent, Esq.,  
Chairman, Transcontinental Railway Commission,  
Ottawa.

The Commissioners then wrote to their Chief Engineer as follows:—

OTTAWA, April 14, 1908.

Hugh D. Lumsden, Esq.,  
Chief Engineer.

DEAR SIR,—I have the honour by direction of the Board to hand you herewith a copy of a letter dated the 9th instant from the Hon. F. Cochrane, Minister of Lands, Forests and Mines of the province of Ontario, having reference to the measures taken to prevent fires along the line of our railway through the province of Ontario.

I am to request that you will issue instructions to your engineers in the province of Ontario, and to our contractors doing work in that province, that they must exercise every possible effort to enforce a strict compliance with the provisions contained in our General Specifications for Construction, our regulations, and the regulations of the province respecting the prevention of fires in the country where our work is being carried on. Our engineers and contractors have no more important duty incidental to the work of construction than the proper protection of the forests through which our line may run from destruction by fire. It may be well, as this is an opportune time, to again call the attention of our engineers and contractors generally to the necessity for the exercising of the greatest possible care in the direction indicated above.

I am to direct your attention to the reference, contained in the minister's letter, to fires said to have occurred along our line of surveys east of Lake Nipigon during the summer of 1907, and to ask you if you have received any reports of such fires, and if so, the commissioners will be glad to receive from you a report giving full particulars with regard to them. The commissioners are aware that there were fires last summer in the territory west of Lake Nipigon, which they understand from the reports already made, originated at points not on the line of our railway; and they are also aware of the fires which occurred along the line of the Temiskaming and Northern Ontario Railway which you will remember were at their height when the Commissioners passed over the line last summer. Mr. Cochrane's report of fires east of Lake Nipigon along our line of survey is, however, the first intimation they have received of such fires.

Yours truly,

(Sgd.)

P. E. RYAN,

*Secretary.*



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The WITNESS.—Mr. Lumsden replied as follows:—

OTTAWA, April 30, 1908.

The Commissioners of the Transcontinental Railway,  
Ottawa, Ont.

SIRS,—In regard to the prevention of forest fires referred to in the secretary's letter to me of the 14th inst., I may say that I have again written to the district engineers in regard to this matter, and wrote especially to Mr. Armstrong, District Engineer 'E' in regard to fires mentioned by the Minister of Lands, Forest and Mines of Ontario in his letter of the 9th instant, as having taken place along our line east of Lake Nipigon. In his reply, Mr. Armstrong reports that not a single fire was caused by our survey parties last summer. There was only one fire that he knew of in the vicinity of our line in that district, and that started between Ombabika and Roaring creek. It was supposed to have been started by Indians and burnt towards Robinson lake. This was not our line of survey, and timber is not very plentiful in that region. He also states that a great many fires which have occurred in other years have been caused by prospectors, and not by the engineers or their staff.

Your obedient servant,

(Sgd.) HUGH D. LUMSDEN.

The WITNESS.—To his district engineers the Chief Engineer wrote as follows:

OTTAWA, April 30, 1908.

*To all District Engineers:*

I have been asked to again call your attention to the matter of using every precaution for the prevention of forest fires in your district. You will please issue special instructions to all your engineers to notify and instruct all employees in regard to this matter, and also, confer with the contractors, and see that they use every possible effort to comply with the provisions contained in our general specifications, contracts and regulations, and that the regulations of the province in which they are working are also being strictly carried out.

(Signed) HUGH D. LUMSDEN,  
*Chief Engineer.*

Chief Engineer's Office.

The WITNESS.—I might read the clause in the specifications with regard to the clearing of the right of way which was referred to in the letter of the Minister of Lands, Forests and Mines of Ontario:—

#### CLEARING.

The whole, or as much of the right-of-way as the engineer may direct, shall be entirely cleared of all trees, logs, brush and other perishable matter; all of which shall be burnt or otherwise disposed of as the engineer may direct, unless especially reserved to be made into ties, timber or cord wood. All merchantable timber, &c., cut on the right of way will belong to the Commissioners who may dispose of same as best seems fit. Unless directed in writing by the engineer, trees and brush must not be throw on adjacent lands, but must be disposed of on the right of way. Trees unavoidably falling outside right of way, must be cut up, removed to right of way and disposed of. All trees, stumps, undergrowth and brush, within such clearing, must be cut so that the tops of same shall not be over eighteen inches above surface of ground.

The WITNESS.—The regulations of all the provinces contain provisions with respect to the equipment of the smokestacks of locomotives with appliances to prevent the escape of fire. In the province of Ontario, there is a special provision for the appointment of fire rangers on railway construction. The provincial authorities took power to appoint fire rangers on all construction work that is going on in the province of Ontario in what are known as fire districts. The provision reads as follows:



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*"Minister of Lands, Forests and Mines may appoint Fire Rangers on Railway Construction Work."*

"During the construction of any railway passing through any of the public forests whether under timber license or not, the Minister of Lands, Forests and Mines may appoint as many fire rangers as he may see fit, whose duty it shall be to enforce the provisions and requirements of this Act, along and adjacent to to the line of construction of such railway, and the expenses incident to and connected with such fire ranging shall be a debt due to the Crown from the railway company concerned, payable upon demand to the Minister of Lands, Forests and Mines, and may be recovered at the suit of the Crown in any court of competent jurisdiction."

That is all I have to say upon the subject.

The CHAIRMAN.—Does any member of the committee wish to ask Mr. Ryan any questions?

## TIMBER.

*By Hon. Mr. Fisher:*

Q. Has any report been received from engineers on the quality of the timber in the different sections along the line of construction of the Transcontinental Railway?—A. Attached to the Interim Report of the Transcontinental Railway Commissioners for the nine months ending December 31, 1908, is a map which shows the areas of agricultural land in the district to be traversed by the railway. At the foot of the map there are paragraphs which make reference to the timber in each section in nearly every case.

Q. Each paragraph is an epitomized report on the section of country set forth above it?—A. Yes. The paragraph on the section of the line from Moncton to near Chipman, for example says: 'With the exception of a few miles, the line is running through lands either cultivated or which will be adapted for farming purposes when the spruce, cedar, and hardwood timber now growing thereon is removed.' Of the section from Chipman to Tobique river it is reported: 'Unsettled country covered with spruce, birch and hardwood.'

Q. The report does not give any indication of the amount or quality of the timber. Of the section from the New Brunswick boundary to Quebec, the report speaks as follows. 'Timber—maple, birch, ash, cedar and occasional growths of pine and spruce.' It gives an indication of the timber along the line, but not of the amount or the thickness, growth or anything of that kind. Again of the section from Weymontachene to Bell River, the report says: 'Timber—On the low lands, spruce and tamarack, on the high lands, birch, poplar, spruce and banksian pine.' Beyond these paragraphs you have no further report from the engineers?—A. No.

## FIRES SET BY WAX-MATCHES, &amp;C.

*By Mr. McLean (Sunbury and Queens):*

Q. Have you adopted any regulations as regards employees carrying wax matches or cigarettes?—A. No; no regulation has been passed with respect to that.

Q. Such a regulation should be made and strictly enforced. There is great danger of fire on account of sportsmen going into the woods carrying cigarettes and wax matches?—A. The instructions which have been issued by the Commissioners would apply to the point which you have raised in regard to wax matches. I take it that your objection to the use of wax matches in the forest is that the flame is not extinguished when such matches are thrown down.

Q. Yes, and the objection applies with even greater force to cigarettes. Cigarette butts are extremely dangerous?—A. The instructions of the Chief Engineer are that lighted matches must not be thrown down at all.

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Q. The ordinary match is not so dangerous as the wax match. The former will be extinguished when it is thrown down, but the latter will burn, and so is a great source of danger. The trouble in New Brunswick, is that sportsmen who go into the forest will smoke cigarettes. Men employed on the railway will go out on Sundays, taking cigarettes with them, and this is a great source of danger. You cannot watch these men when they get away from the right of way. The great danger that we fear, is from this practice of carrying and smoking cigarettes?—A. I will be glad to bring the matter to the attention of the Commissioners.

## FIRE RANGING SYSTEMS.

*By Mr. Tobin:*

Q. Do you not think that the system of dividing districts into sections of eight miles, such as you are doing in the province of New Brunswick, is the best way of protecting the forest along the right of way?—A. That seems to be the opinion of our engineers who have had experience in bush country.

Q. Why cannot you arrange to have the same thing done in Quebec and Ontario, are you debarred by the provincial laws?—A. Well, in Ontario the provincial authorities have taken the matter into their own hands. I read the section under which they are acting. They did not approach us to make any agreement with respect to fire ranging; they simply put on their own rangers as each section of the Trans-continental Railway was let for construction. Consequently, the responsibility for the fire ranging system rests primarily on the provincial government. They evidently prefer to have the fire ranging done in that way, as they own the timber themselves. In Quebec the timber limit holders, being directly interested, together with the provincial government, approached the commissioner and suggested the method referred to. They have a fire-ranging system in Quebec the same as we have in New Brunswick. The only difference is that in New Brunswick, the fire ranging is carried on under the direction of our engineers, whereas in Quebec it is done under the direction of the Minister of Lands and Forests.

*By the Chairman:*

Q. The same as in Ontario?—A. The same as in Ontario.

*By Mr. Tobin:*

Q. But still in Quebec, the timber lands are not divided up into sections. Have they small sections the same as in New Brunswick?—A. In each of the sections that you refer to in New Brunswick, there is a residency, with a resident engineer and staff of engineers, covering a district of from 8 to 12 miles, and the fire rangers operate on these residencies.

*By Hon. Mr. Fisher:*

Q. In Quebec, is the fire ranging service divided up in the same way as in New Brunswick, with the exception that it is under the authority and management of the provincial authorities?—A. Yes, that is what I understand.

Q. The country is divided up into sections?—A. Into sections, but there may be shorter or longer sections.

*By Mr. Tobin:*

Q. I think that in Quebec, they have not the same system, at least if I have been informed aright, as you speak of in New Brunswick. To have brush lying around, which has been cut for two years, will be dangerous; and especially during the last year, as with the passing of time that brush grows drier?—A. It is a reasonable assumption I think, that the most interested people who are the timber limit holders, and the provincial government who control our timber, are going to take every precaution that is necessary, and even some that are not necessary, to prevent fire, because it is their property which is going to be destroyed, if a fire occurred.

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*By Mr. McLean (Sunbury and Queens):*

Q. It would seem a great hardship to holders of timber limits, or owners of forest lands, that when a railway is built through their property against their wishes—because no lumberman would permit that to be done if he could help it—that this extra expense should be imposed on them. It seems to me that the Transcontinental Railway should pay these fire ranges, and that they should be employed during the dry season. Then again, I think that they should take a strip of land wider than the ordinary right of way and keep it clear of weeds and underbrush. There will be danger from fire from locomotives in the dry season, because despite all precautions, fires are undoubtedly set by cinders and sparks from engines. It seems impossible, even with the best class of engines, to prevent sparks from escaping.

*By Hon. Mr. Fisher:*

Q. What is the width of the right of way?—A. One hundred feet.

Q. Is that the usual right of way?—A. Yes.

*By the Chairman:*

Q. What was the real reason for the distinction between the method adopted in New Brunswick and that followed in the other two provinces you have named? You have the federal authority assuming responsibility for the fire ranging in New Brunswick, but that is not the case in the other two provinces?—A. It was a matter of negotiation. The provincial ministers came to Ottawa and had an interview with our commissioners with respect to fire protection.

Q. You are now speaking of the New Brunswick administration?—A. Yes. The result of the negotiations and counter propositions was the inauguration of the present system by the commissioners, which in practice has given satisfaction to everybody.

Mr. McLEAN (Sunbury and Queens).—It has worked very well. I was on the committee which came up to represent the timber limit holders and land owners. The province of New Brunswick holds only about 18 miles of it, the Gibson Company about 22 miles and the New Brunswick Railway Company about 60 odd miles. Then there are other land owners all along the route of the railway. The provincial government, you see, has only a small interest as a land owner. The commissioners saw the necessity of adopting these precautions and of having extra fire wardens. The engineers stated that they had their own work to perform, and could not afford the necessary protection. Therefore, it was arranged to have fire wardens appointed. The system has worked well and has so far afforded ample protection.

Hon. Mr. FISHER.—You are speaking of the private owners of that timber?

Mr. McLEAN (Sunbury and Queens).—Yes.

Hon. Mr. FISHER.—Do they own the timber in fee simple?

Mr. McLEAN (Sunbury and Queens).—Yes

Hon. Mr. FISHER.—It is different in the provinces of Quebec and Ontario?

Mr. McLEAN (Sunbury and Queens).—The New Brunswick Railway Company, the Gibson Company and the other owners own the land.

Hon. Mr. FISHER.—They own the land as well as the timber?

Mr. McLEAN (Sunbury and Queens).—That is right.

Hon. Mr. FISHER.—Do they pay any timber dues to the government?

Mr. McLEAN (Sunbury and Queens).—None.

*By the Chairman:*

Q. The situation amounts to this, Mr. Ryan: In New Brunswick you pay practically all the expense of fire patrolling?—A. Yes, we pay it all.



Q. And in the provinces of Quebec and Ontario, you do not pay any of the expense incurred?—A. In the province of Quebec, we pay the expense jointly with the timber limit holders and provincial government.

Q. Does that amount to one-third?—A. Yes.

Q. Do they require to pay it in Ontario?—A. Bills for the cost of the fire ranging service have been rendered to the Commissioners. They have not been paid yet.

Q. The Ontario government has rendered the bills?—A. Yes.

Q. Do you understand that the commissioners acknowledge responsibility for them?—A. They do not acknowledge any legal responsibility.

Q. Do they intend to recommend the payment of these bills, has that been settled?—A. No, that question is not settled; it is still outstanding.

Q. You are not aware that any determination has been arrived at?—A. No.

Mr. McLEAN (Sunbury and Queens).—I understand the provincial authorities of New Brunswick intend to put a tax on forest lands; the province to contribute a certain proportion, so as to create a fund to be devoted to fire protection and are organizing a regular service for that purpose. It will be similar to that in force in the state of Maine, a system of having watchmen on mountains and high grounds, telephone communication and a force of fire rangers during the four or five months of dry season. By means of this system on the first observance of fire, notice can be sent to a central point and protective measures adopted. These are the details practically of the system that is proposed.

Hon. Mr. FISHER.—That system has not yet been made law.

Mr. McLEAN (Sunbury and Queens).—No, the authorities are trying to get it put into force next year. When you think that two or three years ago, property owned by Mr. Knight, Mr. George McAvity and Mr. Cutler was burnt over for a large area and considerable valuable lumber destroyed, which made a clean sweep right down to the Bay of Fundy, you can see the importance of adopting effective precautions. That fire was started by some fishermen who went into the woods, and I suppose got intoxicated. The lumbermen in New Brunswick do not intend to allow such a thing to occur again, if they can help it. They are asking now that sportsmen shall not go into woods, except in charge of a licensed guide who shall be made responsible for the adoption of precautions against fire.

Hon. Mr. FISHER.—That law would only apply on the property of the government, I suppose?

Mr. McLEAN (Sunbury and Queens).—No, it is going to be generally applied. The lumber owners as far as they can, will prevent sportsmen from going on their lands unless they are in charge of one of their own men.

*By the Chairman:*

Q. Are the notes on the map produced by you, the results of the reports of your own engineers?—A. Yes.

Q. That is information obtained by your survey parties?—A. Yes.

Q. You would no doubt have information a little more specific in character in regard to the timber?—A. We might be able to get it for you, I will ask about that. If there is any such information it will be with our chief engineer.

Q. Then as to water courses, you would have full information because the surveys and profiles of the engineers must show them perfectly?—A. Yes.

The CHAIRMAN.—It seems to me that we ought to have from the Transcontinental Railway Commission, a statement of the water courses that are traversed by the Transcontinental Railway, the approximate volumes of the streams and how they run, and any remarks that might be made by the engineers in regard to the amount of power that can be developed on the line. It would be desirable to have that information collated in such shape that it will be available for parliament.



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Q. Then if it is the agreement of the committee, I will request you, Mr. Ryan, to have a statement of that kind prepared from the information available in the surveys and reports of the engineers. You need not attend here again but compile the information and file it with the secretary in writing. First, as nearly as you can, give an estimate of the amount and character of the timber. Then supply a statement of the water courses that are crossed by the railway and their volume, so that we can have a fairly definite idea as to what are the resources of water-power along the line of railway.

*By Mr. Tobin:*

Q. As to cleaning up brush along the right of way, how many years are allowed to a contractor to do that?—A. We do not place any limit as to the time of clearing. I suppose the limit is the time within which the contract must be completed.

Q. Is the clearing of the right of way included in construction?—A. Yes.

*By the Chairman:*

Q. The clearing is part of the contract?—A. Yes. They cannot do any grading until they have the line cleared. They have to clear out 100 feet wide according to the specifications.

*By Mr. Fowke:*

Q. They must burn or otherwise destroy it?—A. Yes.

## WIDTH OF RIGHT OF WAY.

*By McLean (Sunbury and Queens):*

Q. Is it the opinion of your engineers that a width of 100 feet is sufficient, or that a broader belt should be kept cleared of weeds, under brush and vegetable matter?—A. The engineers prepared the specification.

Q. A hundred feet is what you take, where it is clear?—A. Yes.

Mr. McLEAN (Sunbury and Queens).—A broader belt should be taken than 100 feet. That is not sufficient in the dry season to afford the necessary protection from fire, because on each side of the hundred feet, a lot of inflammable material will gather, stuff thrown from the railway, and so on. Sparks from the engine would quickly set this afire, and it is very difficult to watch and control. Unless you have a broad enough belt on each side of the right of way, kept clear of weeds and stuff, there will be great danger of a big fire being set. If you adopt the precaution I suggest, there will be practically very little danger.

The CHAIRMAN.—I observe that the right of way on the Canadian Pacific Railway going west is kept cleared for a considerable width; they have increased the clearing. It struck me that it might have been nearly a quarter of a mile wide altogether. It is very considerable in width.

Mr. McLEAN (Sunbury and Queens).—It would not cost the Commissioners very much to expropriate this forest land. Now would be the time for the Commissioners to make provision for a right of way of a proper width, and the interest of the lumbermen themselves would cause them to sell land cheaply for clearing purposes except where it was needed for stations.

Hon. Mr. FISHER.—I think that 100 feet in width is the standard width of railroad right of way in Canada.

Mr. TOBIN.—Yes, I believe so.

Hon. Mr. FISHER.—Is 100 feet the standard width of railway right of way by the Railway Act?

The CHAIRMAN.—I do not think so. I was under the impression it was wider than that.

Mr. TOBIN.—The Grand Trunk Railway right of way is 100 feet.

Hon. Mr. FISHER.—The standard right of way of the older railways in Quebec is 99 feet.

The CHAIRMAN.—My impression was, it was 132 feet.

Hon. Mr. FISHER.—Not in Quebec. In that province it is 99 feet.

The CHAIRMAN.—Yes, that is the old law.

Hon. Mr. FISHER.—I am not sure whether the Railway Act continues that width or not.

The CHAIRMAN.—Probably it does.

*By Hon. Mr. Fisher:*

Q. In speaking about the clearing up of the approach, do you require that to be done as construction work goes on?—A. Yes.

Q. So that it is completed at once, that is to say, that the brush cut this year has had to be cleaned up and burnt this year, or do they leave it over?—A. The progress of the work would determine that. The contractors would have to do that in order to get ahead with the work.

Hon. Mr. FISHER.—As Mr. Tobin says, the longer the brush lies there, the more inflammable it becomes and hence the greater danger from fires.

The CHAIRMAN.—In certain parts of the country, it is very difficult to do that. Where the land the railway is going through is swampy, it is not until the railway drains have dried out the moss and that sort of thing that they can burn it. A great part of the country along the line of the Canadian Pacific Railway in the west could not be burnt out at all until it was drained. Of course, it ought to be done before the contractor leaves his work.

The WITNESS.—Yes, he has got to do it.

The CHAIRMAN.—The most destructive thing, according to my observation, is the dry moss. The swampy country to which I refer, is always covered with thick moss, but when the railways drains dry that out, it is like tinder, a spark falls into it, and it goes right off into a flame. It is very essential that that moss should be burnt off.

*By Hon. Mr. Fisher:*

Q. I do not know whether you have reached the point now on the Transcontinental, but when your construction is finished will you still keep up the fire guarding?—A. We have not reached any point yet which involves the determination of that question.

Q. Construction is still going forward?—A. Yes.

*By Mr. Tobin:*

Q. You were talking of New Brunswick. When construction is finished, will this fire ranging be done in divisions of 5 or 10 miles?—A. We have not completed any section yet, but the fire ranging service will, I think, be continued through the wooded country. Regardless of whether our men are working there or not, the line will be patrolled just the same.

Q. You do not know whether in Quebec they have created divisions of 5 or 10 miles?—A. Last year, they had so many fire rangers and each one had a certain amount of territory to cover.

*By Hon. Mr. Fisher:*

Q. You do not know the extent of that?—A. No.

*By the Chairman:*

Q. In Quebec, I suppose, the man who is in charge of the fire ranging service is a provincial government employee?—A. Yes.

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Q. Who is the head man in Quebec?—A. Mr. Turgeon is the minister.

Hon. Mr. FISHER.—I think Mr. Sifton means a man who was in charge of the work, and not the minister.

Mr. TOBIN.—Mr. Hall is the chief fire ranger.

*By the Chairman:*

Q. I mean the man who is practically in charge of the fire ranging service on your line?—A. The work is done under Mr. Hall.

*By Mr. Tobin:*

Q. Yes, and a very reliable man he is; I know him perfectly well. If I understand you aright, you said that was an arrangement made between the Transcontinental Railway Commission and the limit holders?—A. Yes.

Q. That is a special arrangement, because of the laws of the province of Quebec—unless those laws have been changed—the limit holders have the right of paying for the fire protection themselves. Years ago under the law, payment used to be according to the mileage. You paid 5 or 10 cents extra down then, and they supplied fire rangers themselves. But of late, the government get us to name a fire ranger, whom they must approve of, for a certain district, and the limit holder would pay the charges?—A. But that arrangement does not contemplate a railway running through the timber. That is where they pay for the protection of their own limits.

Q. It is a special arrangement?—A. In the case of a provincial railroad running through the forest, the provincial government has supreme authority. But we are a Dominion corporation, the railway is owned by the Dominion government, and consequently the fire ranging service had to be a matter of arrangement.

*By Mr. McLean (Sunbury and Queens):*

Q. When was that arrangement made?—A. A year ago this spring, prior to starting of last season's operations.

Q. It was an arrangement for fire protection?—A. Yes.

*By Mr. Tobin:*

Q. It does not seem reasonable that where a railroad is going through the timber limits of any man, the government should compel him to pay extra for fire protection?—A. So far as that is concerned, the timber limit holders themselves must first take the initiative.

Q. For his own protection?—A. Yes.

The CHAIRMAN.—Do the regulations in the province of Quebec require the limit holders to continue a certain proportion of the cost of fire protection?

Mr. TOBIN.—Not a proportion; he pays the whole cost. He names a party who must be approved by the government.

*By Mr. Monk:*

Q. How did we acquire the right of way in the province of Quebec for the Transcontinental Railway? Most of the line, I suppose, runs through government property?—A. I do not know the proportion of the line that runs through government property. There is a very large proportion which does not. The government of Ontario gave us the right of way, free of charge.

*By Hon. Mr. Fisher:*

Q. On government land?—A. Yes, on government land.

Q. What was done in the province of Quebec?—A. I am referring to the province of Quebec.

Q. You said the province of Ontario?—A. I beg your pardon, I meant to say the province of Quebec.

Q. That is where the right of way is on government land, of course. For the right of way on private land you expropriate?—A. We buy the land and pay for it.

#### VALUE OF FOREST LANDS ALONG RAILWAYS.

Mr. McLEAN (Sunbury and Queens).—Coming back to a matter which was mentioned by a member of the committee, it seems to me that it is an important point which ought to be dealt with first. The owner of forest lands would not, if he could help it, have a railroad run through those lands. Yet when a railroad is built, practically against his wishes, his land is taken away from him for right of way and the burden is imposed on him of affording protection, which means a large extra expense. It seems to me that a railroad ought to take a broad enough belt through the forest so as to relieve the owner of the land from some of the expense of fire protection, because a hundred feet of right of way when locomotives are running through the country, in the dry season, scattering sparks and cinders over a certain distance, is not sufficient protection.

Hon. Mr. FISHER.—Surely the passing of the railroad through the land improves the value of the owner's property?

Mr. TOBIN.—Not always.

Mr. McLEAN (Sunbury and Queens).—Not in the case of forest lands. The owners of such lands would not allow settlers to enter. The railway improves the value of the property around divisional points or stations. In other cases, the railway diminishes the value of forest land.

Hon. Mr. FISHER.—It may for the moment, but I think eventually the railway would decidedly increase the value of the timber, especially where your limits are situated away back.

Mr. McLEAN (Sunbury and Queens).—Not in the case of spruce limits where the land is not good for farming, but produces the best lumber. Land suitable for farming might improve in value. Where there are spruce limits, a wider belt should be taken than in the cultivated districts. One hundred feet is enough where there is cultivated land, but for forest land, that width of right of way is not sufficient.

Mr. TOBIN.—The lands in the northern part of Quebec could not be operated, if it were not for the Transcontinental Railway which will greatly improve the value of the limits.

Mr. MONK.—Does the railway improve the value of the limit holder's property, it does in the case of a land owner.

Mr. TOBIN.—Improves the limit holder's property, if he can bring his lumber to the railway by driving 40, 50 or 60 miles, instead of driving 4 or 5 hundred miles and then taking it down the St. Lawrence.

Mr. WHITE.—Would not the proportionate cost of railway transportation be greater than that of water transportation?

Mr. TOBIN.—The limits in northern Quebec could not be operated, or at least the greater part of them, if it were not for railway transportation.

Mr. McLEAN (Sunbury and Queens).—That may be so in northern Quebec, but in New Brunswick, the Transcontinental runs through well watered country, and the lumbermen would not use the railroad, because they have got easy access to the main rivers, through the numerous streams.

Mr. TOBIN.—Of course, it depends upon how lumbermen are situated.

Mr. McLEAN (Sunbury and Queens).—That is an important fact.



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Mr. TOBIN.—I think it will greatly boom the value of limits in northern Quebec to have the Transcontinental Railway running through there. Property has increased probably 4 or 5 hundred per cent.

Mr. McLEAN (Sunbury and Queens).—Where a railroad is being built, if the land is going to improve in value, the government will get the benefit when the country becomes settled. What I am saying is that the cost of land for a right of way at present, would be comparatively small and, therefore, a sufficient width should be taken to prevent the possibility of any danger from fire.

The CHAIRMAN.—Does any member of the committee wish to ask Mr. Ryan any further questions, as he is required at his office in a few minutes? There is nothing further. The committee will excuse you, Mr. Ryan, and the secretary will give you a memorandum of what we want. I will ask Mr. Campbell of the Forestry Department to prepare for us some information with regard to the possible extension of the forest reserve on the eastern slopes of the Rocky Mountains. If there is nothing further before us to-day, and if it is agreeable to the committee, I will ask him to bring us that information on Friday at half past ten.

Mr. TOBIN.—Are the reports of the evidence taken before the committee to be printed this session?

The CHAIRMAN.—We are in favour of printing the evidence which has been given up to to-day. No order has been made in regard to printing the evidence of Mr. Ryan as yet. We have already reported in favour of printing the evidence of Messrs. Young and Campbell. It is for the committee to say what they will do about this further evidence. I should think the committee would be allowed to print the later evidence also.

Mr. MONK.—Is it not intended to print all the evidence?

The CHAIRMAN.—Yes

Hon. Mr. FISHER.—We have not yet adopted a resolution to that effect. At the last meeting, it was ordered to print the evidence given up to that day. I should think all the evidence ought to be printed.

The CHAIRMAN.—I can include that in the report if that is agreeable to you. Then the committee so orders?

Hon. Mr. FISHER.—That would cover the evidence which has been given by Mr. Ryan to-day, and what Mr. Campbell proposes to say as a supplement to his former evidence.

Committee adjourned.



**PART IV.—FOREST RESERVATIONS.**

COMMITTEE ROOM No. 34,  
HOUSE OF COMMONS,  
FRIDAY, April 30, 1909.

The Select Standing Committee on Forests, Waterways and Water-powers met at 11 o'clock a.m., the Chairman, Hon. Mr. Sifton, presiding.

The CHAIRMAN.—I suppose, gentlemen, we shall not be able to have any more meetings during the present session for the purpose of taking evidence, because the Prime Minister has given notice of a resolution calling for morning sessions of the House after Monday next. Unfortunately we have not been able to accomplish as much as we would have, had the committee been formed early in the session. Hereafter we will have to begin at the commencement of the session if we are going to do any effective work, because towards the close of the session, members are interested in matters before the Public Accounts, Private Bills and Railway Committees, and it is impossible to get them to spend very much time in a committee of this character. Next year, however, we hope to start our meetings very early in the session. To-day we must decide as to whether we shall make any special recommendation to the House as the result of the evidence taken. That is to say, whether, having come to any conclusion, we desire to recommend that any special measures be taken. We must decide that before we separate.

Mr. BELAND.—What is your opinion about the report we should present, Mr. Chairman?

The CHAIRMAN.—My own view is, there is nothing we have sufficiently investigated to justify making a report on, unless it should be in connection with the matter that is coming up to-day. That is a subject that calls for action as early as can be taken, because every year that passes, will see some of the lands in question occupied for one purpose or another, and make it more difficult to secure a proper reservation. Consequently, if the committee is clear enough in its grasp of the facts of the case, I would be glad to see a recommendation made in regard to this particular matter, because I think it is of the very greatest importance.

Mr. CAMPBELL, Superintendent of Forestry, recalled and examined.

**AVAILABILITY OF LAND FOR FOREST RESERVES.**

*By the Chairman:*

Q. We wish to obtain from you this morning some information as to the availability of land on the eastern slopes of the Rocky Mountains?—A. I have with me a sketch plan showing in a general way the eastern slope of the Rocky Mountains. From the International boundary, the boundary between the provinces of British Columbia and Alberta follows the summit of the Rocky Mountains to the 120th meridian west. From this point, the boundary leaves the summit of the Rocky Mountains and follows the meridian north. The districts already reserved are: first, the Rocky Mountains Park, north and south of the main line of the Canadian Pacific Railway, outlined in white. The first reservation in this district was made in 1887. Subsequently it was enlarged, and now comprises 4,500 square miles, or 2,880,000

acres. This white outline further north covers a reservation known as Jasper Forest Park. It is along the line of the Grand Trunk Pacific, and the purpose of the reservation was the creation of a park similar to the one on the main line of the Canadian Pacific Railway. Jasper Park comprises an area, as near as we can compute it, of 5,000 square miles or 3,200,000 acres. The only other reservation established along the eastern slope of the Rocky Mountains is the small one shown at the boundary surrounding the Kootenay or Waterton lakes. That is only a small reservation of 54 square miles or 34,560 acres.

*By Mr. Macgrath:*

Q. Should not those lakes be called the Waterton lakes?—A. They are known as the Waterton lakes and when the Bill creating those reservations was submitted, that was the name first given to them, but it was changed afterwards.

Q. I know that the late Dr. G. M. Dawson took that question up at one time. We call them the Waterton lakes, but they are called the Kootenay lakes in British Columbia?—A. I think it would be better not to confuse the name of those lakes with those of the lakes in British Columbia. I do not know why the change in question was made. The total of these three reservations is 9,554 square miles or a total of 6,114,560 acres. They are not surveyed, and the areas given are approximate.

*By the Chairman:*

Q. This land here (*i.e.*, along the slope of the mountains) is not surveyed?—A. No.

Q. These lines are just projected?—A. Yes.

Q. Of the land shown on the map, has any of it been surveyed?—A. It has been surveyed up to the line of the foothills shown by a white line on the map.

Q. Can you indicate the line which shows what might approximately be the land between the prairie country and the wooded public lands on the foot hills of the Rocky Mountains?—A. Yes, I should have had a map on a larger scale to place before the committee, but those who have the maps close to them will notice that we have drawn a line commencing at the International boundary. We could go east of the Waterton lakes reservation, because the mountains there run out farther to the east; in fact the reservation which has been established by the government of the United States in the state of Montana goes considerably east of that again. It extends, I should say, about three townships to the east of anything we are proposing to reserve.

Q. What is the character of the land in these three townships to the east, is it wooded?—A. No, they extend into the foot hill country upon broken land. It is more grazing land than anything else.

Q. Not suitable for settlement?—A. The lands are not suitable for settlement; they are better adapted for grazing land. We had an examination made of this part of the eastern slope last summer and a report made upon it. This was the tract that the officer, who made the examination, recommended should be reserved. I might say that the United States government had some unofficial communication with us in regard to having a reserve north of the International boundary to correspond with the one they have to the south. The matter was also brought to the attention of the government by people on this side of the boundary line and we had an examination made of this tract by Mr. MacMillan, who recommended that it should be included in the reserve. That takes in the following described tract:—

Tract 'A,' commencing at a point where the Belly river interests the International boundary in township 1, range 28, west 4th meridian; thence north following west bank of said Belly river, to its intersection with the northern boundary of the Blood Indian timber reservation, thence west one mile, thence north one-half mile to the



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north-east corner of section 30, township 1, range 28, west fourth meridian; thence west four miles, thence north four miles, thence west three miles, thence north three miles, thence west six miles to north-east corner of township 2, range 1, west 5th; thence north 12 miles, thence west 12 miles, thence north 36 miles to the north-east corner of township 10, range 3, west 5th; thence east 12 miles to the south-east corner of township 11, range 1, west 5th; thence north 24 miles to the north-east corner of township 14, range 1, west 5th, thence west six miles to north-east corner of township 14, range 2, west 5th; thence north six miles to north-east corner of township 15, range 2, west 5th; thence west six miles to north-east corner of township 15, range 3; thence north 12 miles to north-east corner of township 17, range 3, west 5th; thence west six miles to north-east corner of township 17, range 4; thence north 12 miles to the north-east corner of township 19, range 4, west 5th; thence west six miles to north-east corner of township 19, range 5, west 5th; thence north 24 miles to north-east corner of township 23, range 5, west 5th; thence north 24 miles to north-east corner of township 23, range 5, west 5th; thence west six miles to north-east corner of township 23, range 6, west 5th; thence north six miles to north-east corner of township 24, range 6, west 5th; thence west eight miles more or less along the line between townships 24 and 25 to where it intersects the south-eastern boundary of Stony Indian reserve; thence south-westerly following the boundary of said reserve to where it intersects the line between ranges 7 and 8, west 5th meridian, said line being the eastern boundary of the Rocky Mountains Park of Canada; thence south following said line between ranges 7 and 8 to the intersection with the boundary between the provinces of Alberta and British Columbia; thence southerly following said boundary to its intersection with the International boundary; thence east along the International boundary 17 miles, more or less, to the place of beginning, containing by admeasurement 3,148 square miles, more or less. North of township 10 are the Porcupine Hills, which extend further east into the prairie country than the mountains do at any other point. I am not sure how far the Porcupine Hills should be included in the reserve, but I think they should be. When Mr. Stewart, my predecessor, was considering the matter, he thought so too. That would carry the line east at the north point of township 10 over to the 5th meridian, then north over four townships, about 24 miles, following the fifth meridian. We think that would take in what should be included in the forest reserve, and as far as we know at the present time, it would not embrace any country that should not be included. If this reservation should be made, and it was found later on that land had been included, that absolutely should not have been, some arrangement might be made for its withdrawal.

*By Mr. Magrath:*

Q. Are you discussing tract 'A'?—A. Yes.

*By Hon. Mr. Fisher:*

Q. When you speak of land that possibly should not be included in the reserve, do you mean because it is land fit for settlement?—A. Some of the land may be fit for settlement; we have not made a close observation to be absolutely certain about it, but I do not think there is any land inside of these lines of demarcation which could not be administered within the forest reserve just as well as outside of it.

*By Mr. Fowke:*

Q. What do you mean to imply by the expression 'forest reserve'?—A. The main purpose of the tract will be the preservation and management of the forests.

Q. Land taken off the public market and not available?—A. Land that would not be left open for general entry and disposal, the same as land in other places.

Q. It does not necessarily mean then that you are keeping this land for park purposes?—A. A reserve is not maintained for park purposes. The main purpose of

its establishment is the protection and management of the forest. Instead of forest protection being a secondary or third consideration, it would be in the main one, and other considerations would be subsidiary to it. For instance, there are some parcels of land in the valleys that are fairly suitable for agricultural purposes. These would not be open to settlers, or to any body who liked to get in, but would be examined first and a decision reached as to whether or not they should be allowed to be settled on. The interests of the forest would be considered before entry would be granted or persons permitted to settle on the land. That is what I mean. Inside the reserve, the forest should be made the paramount consideration.

*By the Chairman:*

Q. Under the terms of the Forest Reserves Act, as it now stands, you cannot permit any settlement inside forest reserves?—A. No, not under our Act as it stands. The United States, in the administration of their western reserves, allow settlement. That is, they do not allow anybody to go in and settle down anywhere he likes, but where they find lands which are fairly good for agricultural purposes and are not required for some special purpose in connection with the timber or the preservation of the water supply, the government will allow settlement on them. That policy has this advantage: if you have people living on a reserve who are in sympathy with the objects of the reserve and are prepared to assist in the protection of the timber, it is useful to have them convenient, because in case of fire, they can be called out to give their assistance and they can be reached much more conveniently than if it were necessary to go outside the reserve to obtain assistance.

We will call the tract from the international boundary to the Rocky Mountains Park, tract 'A,' the tract from the Rocky Mountains Park to Jasper Park, tract 'B,' and the tract north of Jasper Park, tract 'C' for the purpose of enabling you to intelligently follow the explanation. In connection with the disposal of the lands, you will notice, in yellow on the plan, the lands that have been disposed of. There are also some up here that are held for the same purposes. I do not think that, in making of this slope a reserve, we need interfere with coal mining operations at all. In fact, I consider that for the future of those operations, it is absolutely essential that this eastern slope should be protected and kept in forest, because the supply of material that is required for coal mining operations from the forest is very considerable. Not only must the props for the supports of the roof of the mine be taken out from the forest, but there is a great deal of material required for lagging—slabs and other materials of that kind, as well as lumber—used in connection with the operation of mines. Unless the mines can get a supply of that material, they cannot maintain their business. The obtaining of a supply of this material at a reasonable figure is also an important consideration because, unless that supply is obtained close to the mines, the cost of coal mining is considerably enhanced and also the cost to the consumer.

#### TIMBER CUTTING ON RESERVATIONS.

*By Mr. Magrath:*

Q. The mine owners are not allowed to take any green timber, are they?—A. Yes, they are. Where they have acquired any rights of a timber limit; but, as a rule, they would prefer to take the dry standing timber, which has been seasoned to a certain extent, because it is lighter than the other timber, and, so far as strength is concerned, is just as good. The trouble with the mining timber is that it finally succumbs to the pressure, and not so much that it becomes decayed.

*By Hon. Mr. Fisher:*

Q. Have you any special regulations in regard to the timber on the slope in tract 'A' or is it being dealt with in the same way as the rest of the timber in the North-

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west?—A. It is administered under the same regulations, there is no special regulation.

Q. And permits to cut the timber are being issued?—A. Permits are being issued in the same way as in the case of any other tracts of Dominion lands that are afforested. There is no special departmental regulation relating to that district at all.

Q. None with respect to the Rocky Mountain slope?—A. Except the parks.

*By Mr. Magrath:*

Q. The timber they use is about 6 inches in diameter, is it not?—A. About 6 inches would be the general run, but in coal mining operations in the larger galleries, the diameter of the timber is considerably larger.

Q. Have you any idea of the proportion of timber that is used per ton of coal so as to give some idea as to the amount of timber that is being used in that district?—A. I have a statement of the consumption of timber by the companies operating in the Crow's Nest valley. Taking the International Coal and Coke Company, the figures are as follows for a season: lineal feet props and ties, 800,000; feet board measure lumber and dimension timber, 1,500,000; feet per ton of coal, 2 feet lineal and 4 feet board measure. West Canadian Colliery gives 2 feet lineal and 1 foot board measure, per ton of coal; Maple Leaf Colliery  $3\frac{1}{2}$  feet lineal and 1 foot measure per ton; and the Alberta Railway and Irrigation Company 3 feet lineal and  $1\frac{1}{2}$  feet per ton. The total of lineal feet of props and ties used in that district according to this statement is 3,002,300, and of lumber and dimension timber, 2,592,700 feet board measure.

*By the Chairman:*

Q. During what period?—A. That is for a year. It is expected, of course, that all these mines will increase their output, and it was calculated that within 5 years they would need about twice, or very close to twice that quantity, in order to supply their needs for 12 months.

## TIMBER RESOURCES FOR MINING PURPOSES.

*By Hon. Mr. Fisher:*

Q. In the existing forest reserves, is any cutting allowed under the regulation?—A. Yes, we allow settlers to cut. That is the only use of the timber that we have provided for. The reserves so far formed, have been mainly reserves that would supply timber for that purpose and not for the general trade. The first purpose, of course, is to supply local needs. If later on, it is found there is sufficient timber to produce a supply for more than local needs, I see no reason why the timber should not be disposed of.

Q. Under your Forest Reserves Act, you may frame regulations by which the timber can be used commercially. Does the Act empower you to?—A. Yes.

Q. So that if this portion of country, now under consideration, were put into a reserve, you could frame regulations by which a supply of timber for the mines could be obtained?—A. Yes.

Q. Under regulation?—A. Yes. One of the chief purposes of that reserve would be to supply the mines.

Q. And the needs of the mines are not an insuperable obstacle to putting this part of the country into a reserve? A. Not at all. In the end, the mines will need quite a large quantity, and it is advisable to thoroughly protect the timber just as quickly as we can.

Q. Then the putting of this district into a reserve would be an advantage to the mines in the future —A. Yes, it would be, and I think the mine owners generally would be prepared to support an arrangement of that kind. When Mr. McMillan went to look over the Crow's Nest valley, I told him the first thing to do was to visit the



mines and talk the matter over with the managers and owners so as to find out the local situation as well as he could. After doing so, he reported that the mine owners were, as a rule, interested in the matter, and would be prepared to support a policy of holding that land as forest land. In his report he says:—

‘The mining industry is the most important in several of the western towns. Coal cannot be mined without timber. Mines in Pennsylvania, after spending large sums of money in importing timber, found it more satisfactory to grow it at home. The mining of the 22,515,200,000 tons of coal estimated by the Geological Survey to exist in the Alberta coal field, will require 45,190,400,000 lineal feet of mining props, the product of 9,000,000 acres for sixty years. That timber is not in sight in the whole coal district, nor is the reproduction coming on that will produce it. Yet the land is there, capable of producing nothing else. The lack of mining timbers near at hand will render mining of coal more expensive. The extra expense will be paid by the western settlers in the shape of a higher price for coal.’

I have not just under my hand the statement he made in regard to the attitude of the coal companies. However, it was in favour of the protection of the timber.

*By Mr. White:*

Q. Does the government impose any restrictions as to the size of timber the mine owners are allowed to cut?—A. Where the land is held under timber license, they are not allowed to cut under 10 inches in diameter.

Q. But the props used for mining purposes are much smaller than that?—A. Yes, the props for mining purposes. Where dry timber is used they cut considerably smaller than that; in fact, they cut whatever size they can get. We have not given them the right to cut small green timber.

Q. Not even for mining purposes?—A. No.

*By Hon. Mr. Fisher:*

Q. You give the mine owners a special license to cut timber for mining purposes?—A. We give a special permit for mining purposes to a mine owner.

Q. You spoke about the yellow patches on the map representing coal lands. I see from the description that there are railway lands among them?—A. They are nearly all mining claims; the only railway lands are those in the Crow's Nest district that belongs to the Canadian Pacific Railway. There are a few Canadian Pacific Railway lands near the edge of the tract, but the remainder are coal lands. There are some petroleum claims down here, near International boundary (pointing to map).

*By the Chairman:*

Q. What fee do you charge the mine owners for the timber?—A. I cannot tell you that offhand.

Q. The timber is not free?—A. No. There is a rate per lineal foot according to the size of the timber. I might say that these lands, shown in yellow, have an area of 200 square miles altogether, or 128,000 acres. In addition to that there are Hudson Bay Company's lands. We have not indicated them on the plan, but they are scattered through each township. The Hudson Bay Company has the right—

Q. That is only in the fertile belt, though?—A. It appears to have been decided that their right extends to the summits of the Rocky Mountains.

Q. I do not think that is right?—A. I made inquiry of the Patent Branch before I came here, to see what view had been taken by the department of it, and they said, that was the decision that had been reached.

Q. Some agreement may have been arrived at of which I am not aware, but my impression is, that, under the terms of the deed of settlement they would not be



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entitled to take forest land, or land that was not fit for settlement—agricultural land?—A. I did not know that would apply to the Hudson Bay Company.

Q. How much did you say was in this tract? I mean the whole tract that you suggested should be included in the reserve?—A. The whole area is 3,148 square miles or 2,014,720 acres.

*By Hon. Mr. Fisher:*

Q. And of that, how much has been granted?—A. 128,000 acres.

Q. Out of two millions odd?—A. Yes. That is not counting Hudson Bay Company lands. If Hudson Bay Company lands are included in that area, it will make 135,000 acres more.

Q. Does that include the grazing lease?—A. No, that does not include the grazing lease. I have compiled our areas of timber berths and grazing lease separately. They have not been parted with. The timber berths are under regulation, and the others are merely leases.

The timber berths are under the ordinary timber regulations in force in the Northwest?—A. Yes.

Q. What is the area of those?—A. The area of the timber berths in tract 'A' is 447 square miles, or 287,360 acres.

Q. Are they marked on this map?—A. Only the outline of the timber berths are given. We were going to colour them, but they overlap the mining lands to a certain extent and we could not put on a colour that would show them.

Q. There is a very considerable quantity?—A. Yes, there is a considerable area under timber license in that southern tract.

*By Mr. Tobin:*

Q. What control have you over these mining companies in regard to the cutting of timber? Do they go in and cut timber over any part of the reserve?—A. No, they would not have the right to go in and cut anywhere. Some of the mining companies hold timber under license. Of course, that is a defined surveyed tract. Again, the mine owner may get a yearly permit to cut timber, but he has to define the land on which he is going to cut, before the permit is granted. The permit is for that location, and he has no right to go outside of it.

Q. What control have you as to the cutting of dry timber? Do you know whether the mine owners cut dry or green timber? Does any inspector supervise their cutting?—A. We have a forest ranger, but we are not able to keep a very close inspection of the cutting. The headquarters of our forest ranger is at Calgary. He has a very large district to cover, so that he cannot keep very close check of the timber cut, but still he goes there and looks over it now and again as he can reach that district. The whole point in making a forest reserve is that we shall have a closer, more careful and more scientific supervision of the entire cutting of timber.

*By the Chairman:*

Q. There would not be any possibility of the miners making away with any timber?—A. No

*By Mr. Tobin:*

Q. A point of great importance is where the cutting is done. Sometimes the cutting on a limit is done in certain places where the timber is going to grow again, but the cutting is sometimes done in such a way as to leave no protection for the young trees. That idea should be kept in mind?—A. If this were made a reservation and we began to administer it, the idea would be that a place where timber is going to be cut, would be first examined and the proper method of cutting determined, so as to insure reproduction, and then only allow the cutting to be done in that way.

*By Mr. Magrath:*

Q. Have you only one officer operating from Calgary?—A. One regular forest ranger, but during the dangerous season we have several fire rangers on patrol. There is only one regular forest ranger who looks after the cutting operations.

*By Mr. Tobin:*

Q. What territory has that man got to look after?—A. As far as limits are concerned?

Q. Limits and reserves?—A. He takes the whole territory from the International boundary up to the North Saskatchewan at this point.

Q. How many miles does that comprise?—A. Do you mean in distance?

Q. No, in square miles or acres of limits?—A. The limits on the eastern slope of the Rocky Mountains in that tract, comprise an area of 697 square miles, but I have not the figures as to the extent of the limits outside of that.

*By Mr. Magrath:*

Q. Roughly speaking, this territory is about 300 miles long and probably 50 miles wide?—A. Yes, taking the general dimensions.

*By Mr. Tobin:*

Q. And there is only one inspector for all that territory?—A. That is all.

*By Hon. Mr. Fisher:*

Q. Has he a ranger under him?—A. During the dangerous season he has fire rangers to assist him.

*By Mr. Bédard:*

Q. There is no personal control, he has to rely on sworn statements?—A. He checks the cutting as best he can, but he cannot keep a very close check. Still he is a good woodsman.

Q. I think if you had more men, and so placed as to be able to look after the cutting, it would be a good protection?—A. That would be the whole point in handling a reserve, to see that the cutting was done properly, not to prohibit it; that is not the idea of the reservation.

*By Mr. Bédard:*

Q. That is you require to regulate it?—A. To so regulate it that the forests would keep on reproducing.

The CHAIRMAN.—You want to grow mature timber and make use of it, allowing the younger timber to grow.

*By Mr. Tobin:*

Q. Unless proper care is taken, the younger timber would not be protected, and you will lose as much timber by winds and storms in that part of the country as is cut?—A. That is one serious difficulty, particularly in the Crow's Nest valley. Very strong winds occur there, and we find that difficulty of the young trees being blown over when they are left unprotected. They have grown up in the forest and they have established a root system commensurate with the protection they have had from the other trees. When you take that protection away, the root system is not sufficient to hold them, and when a wind comes along, it is almost certain the greater proportion of them will blow over.

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Mr. MAGRATH.—I think, Mr. Chairman, it is very desirable to recommend that tract 'A' be embraced in a reserve, but I do not think there is any use in doing that, unless more men are appointed to look after the timber. If we are going to make such a recommendation, we ought also to recommend that the staff be increased, because an area 400 miles long, taking it diagonally, and from what I can see about 50 miles in width, is far too much for one man to look after.

The CHAIRMAN.—My own view is that if it is worth while to make that a reservation—and I think it very important to do so from the standpoint of the interests of the Northwest and the whole western country—the government ought to be asked to place the whole of that territory in charge of a competent warden—a first-class forester and a man of good administrative capacity—with a proper staff. Furthermore, I do not believe that any prospector should be allowed to go into the territory at all without a special permit, so that the government officer would know exactly where that man was authorized to go, and if a fire took place in the reservation, the burden of proof would be on him to show that he did not start it. Then the reservation could be properly inspected. With respect to mining companies, they will cut the timber where it is easiest to do so; they do not care where it is done. If there is timber farther away that is mature, they will not hunt for it, but will take what is cheapest to get, and will be cutting the young trees all the time.

Mr. MAGRATH.—They give a contract to some men to cut the timber. He will go where it is the cheapest to get and will not be concerned about the saving of the timber.

Mr. TOBIN.—The mining companies should not be allowed to cut any timber without having a permit from the forest ranger, and the place designated where the cutting is to be done. Then there would be more protection for this small timber.

The CHAIRMAN.—Mr. Campbell says the mine owners get permits to cut in certain places, but in practice what happens is this; the mine owner sends a man out to find where there is a sufficient supply of a certain length of timber. He then makes application for a permit to cut timber there. The officer says: 'All right, there is no objection,' and the thing is done. The officer has no time to go and make an examination; he does not know that there is mature timber a certain distance away that ought to be cut; and, therefore, he is not in a position to say: 'No, you cannot go there, we will let you cut somewhere else.' He has not got the facts to enable him to do so. It is essential that a survey of the forest should be completely and scientifically made, and then there should be a large enough staff to see that proper precautions are carried out. Anybody who has given any thought to the question of a water supply of the prairies, must recognize the importance of it, because when you reflect upon the matter, you find out how limited the area is from which that water supply is derived. All these rivers originate from this territory here. When you think how limited the area is from which that water supply is derived, you cannot help coming to the conclusion that if the timber is denuded from the slopes, there will be floods for two weeks in the spring, and a drought for the rest of the year.

*By Mr. White:*

Q. Have you made any estimate as to the quantity of the timber on those tracts?  
—A. On this eastern slope?

Q. Yes?—A. We have made a sort of a guess at it.

Q. The point I am aiming at is this: you say that a certain amount of timber will be required in the future for mining purposes, and the question is whether there will be sufficient timber for manufacturing purposes when the mines have been supplied?—A. I think there will be if it is looked after. But if things go on—

Q. In a reckless manner?—A. As they have been going on; I do not know where it will wind up.

Hon. Mr. FISHER.—You do not know where it will wind up.



*By Mr. Tobin:*

Q. What varieties of timber are to be found in that area?—A. There are several species. Douglas fir grows on the eastern slope, also Engelmann's spruce. It is a very good timber, one of the best spruces. There is also Lodgepole pine.

*By the Chairman:*

Q. How high does that grow?—A. Lodgepole pine is found from 14 to 16 inches in diameter sometimes.

Q. But how high does it grow?—A. About 80 feet.

*Mr. Mr. Tobin:*

Q. That is a good deal like the jackpine, as we call it in the east?—A. Yes, it is called the western jack pine.

*By the Chairman:*

Q. Is the Lodgepole pine the same as the jack pine of Manitoba?—A. Not the same as in Manitoba. That is the northern jack pine, that is the jack pine of the whole northern forest in Quebec, Ontario, and across almost to the Rockies.

Q. The jack pine grows here too. Is it the same?—A. No, that is the same as in Manitoba, but not the same as this lodgepole pine. This is western jackpine. It is a different species and rather a better tree than the other.

Q. It is a tree of rapid growth?—A. It grows pretty quickly and reproduces very easily. That is one of the greatest features of the Lodgepole pine and the jack pine too; they reproduce very easily—

Q. They will grow where nothing else will grow?—A. And they have a plentiful supply of seed. They seed early in life and every year, so that anywhere you have a fire or cutting through jack pine or lodgepole pine territory, you find reproduction coming on splendidly as a rule. In lodgepole pine country, there is hardly any question of having to resort to artificial methods at all. If you will only protect it, the tree will do the work itself. The lodgepole pine is found all along that eastern slope, and it is one of the best timbers for mine props.

Q. It is a strong wood?—A. Yes.

Q. Does it last well?—A. It lasts pretty well. It might be advisable at our present stage of development to make some experiments in regard to treating timber so as to increase its life. The same thing has been done by the Forest service in the United States. They have carried out experiments in the treatment of timber in various ways, and I think it will be worth while to do some experimenting in regard to mine props in that district.

Q. What can you tell us about tracts 'B' and 'C'?—A. We have not very much information about them, but we know that generally they are afforested. A few timber limits, which you will see marked out in outline, have been taken up within these tracts, and recently a few mining claims, but outside of that we have not very much information in regard to it. This country is the source of a number of rivers. You will notice that the North Saskatchewan has its rise here, and it is important that the source of that river should be kept afforested. As you all know it is a river that flows into Lake Winnipeg. It passes through all that lower country, and it might be a very important river for navigation purposes, if it were not so unreliable by reason of the current and the sand bars.

Q. Take the Saskatchewan river after the first of July, does not most of the water running through it come from there. Very little comes from the tributaries below?—A. Not very much.

Q. The coulees and the little streams on the prairie are nearly all dry?—A. The flow of water is mostly from this main stream, and the tributaries enter it from the mountains on both sides.



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*By Mr. Tobin:*

Q. Is there no hardwood timber on that reserve?—A. No, except poplar.

## FIRE RANGING AND PROTECTION ON THE RESERVES.

*By Mr. McLean (Sunbury and Queens):*

Q. You said you employed a force of rangers during the dry season. Would you kindly tell us what their instructions are, or what precautions are taken to prevent fires, and what the danger is from fires?—A. The danger is along the line between the settlements and the timber country, and our instructions to the fire rangers who are in charge of the chief ranger are—

Q. How many rangers are there?—A. We have nine from the international boundary to the North Saskatchewan river. In the Crow's Nest district we have several. We have a special arrangement there, because of the special danger along that line of railway. We made an arrangement with the Hon. Peter MacLaren, who has the largest timber interests in that country, about the fire ranging. We have eight or nine men under us, and three additional rangers are employed by Hon. Peter MacLaren. There are about from eleven to twelve fire rangers as a rule.

Q. Are you able to tell us of the danger from fire caused by cinders or sparks from locomotives passing through forest land?—A. Yes. That is one of the chief dangers we have to deal with. There is danger too along the line of settlement in connection with the clearing up of land. Men are apt to be a little careless and a fire may get away from them; they have to be watched on that account. Then there is danger from hunters and trappers who are apt to carelessly leave a fire behind them, also from prospectors coming in and doing the same thing. But the greatest danger exists along the line of railway, and it is not entirely due to the railway, but also to the number of people coming in as a result of its construction and operation. We find a certain amount of trouble always along the line of railway. It is usually difficult to prove that the railway is responsible for the setting of fires, but when Mr. McMillan was in the Crow's Nest valley last summer, he obtained evidence sufficient to satisfy him at least, that a number of the engines were throwing fire, and that fires had started as a result.

Q. You know that through the state of Maine the great number of fires are set almost every year by railway engines?—A. That is our experience in the west. Take the railway belt through the province of British Columbia. Our men are continually finding fires along the line of railway that must have been set from the railway locomotives. That is our peculiar trouble in that province, owing to the fact that the stretch of territory in question, is immediately along the line of railway.

Q. Now, I come to the next point: What sized belt should be taken as a right of way by railways through forest lands? Is 100 feet right of way sufficient protection against fires from locomotives, or how broad should the belt be that is taken?—A. That depends on several circumstances. Where you have a mature forest in good condition, the fire danger is not very great, and, on the whole, I do not think that in such a case the right of way should necessarily be very wide. If the right of way is 100 feet in width, and is kept clear and in good condition with a mature forest coming up to the edge of it, I do not think there is going to be any very serious danger of fire. The trouble is, that all along our lines of railway the conditions are very bad for fires. There is dry material lying everywhere. More than that, when cutting has been done along the railway, debris and refuse are left lying. In such cases, where that sort of material is left lying along the railway, I do not think that 100 feet right of way would be enough; but, as a permanent thing, it ought to be.

*By Hon. Mr. Fisher:*

Q. If the 100 feet is properly cleaned up?—A. If properly cleaned up.

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Q. If that is done and the debris from it not carried into the adjacent wood, 100 feet would be enough?—A. Yes.

*By Mr. McLean (Sunbury and Queens):*

Q. Do you know by experiments how far these sparks and cinders are carried by a high wind from a railway engine?—A. There has not been very much experimenting in that direction, and we have not been able to undertake any exact experiments with regard to it. The only experiments that I know of, that were carefully carried out with that object in view, were some made in the United States a few years ago. I have a record of them, but unfortunately did not bring it with me this morning; otherwise I could have shown you the exact results in that particular case. At any rate, they showed that cinders of any size at all fell about 50 feet, and sometime 75 feet from the railway.

Q. That is what I was coming to. For example, in the province of New Brunswick, the Transcontinental Railway runs for about 120 miles through the best timber lands that we have. The right of way would not cost very much, and it seems to me that a width of 200 feet should be taken as a precaution against fires through the forest belt referred to. The right of way should be cleared of all brush and debris, and a strip ten feet broad should be ploughed up on each side. That would keep the fire from running in. What would you think of these suggestions?—A. I think it would be a good thing if the belt were properly cleared up.

Q. The point is, that fires are often started and run in, even where the ploughed strip is 5 feet, fire might cross it?—A. In the prairie country, the railways are required to provide ploughed fire guards, but I do not know that they always keep them in proper condition. In one case in the Crow's Nest valley, the ploughed fire guard was not kept in proper condition, and I drew the attention of the railway Company to that fact when I received the report concerning it. I think it might be a good thing to acquire a strip, such as you suggest, provided it was kept perfectly cleared. Probably in the condition in which forest lands generally are along the line of railway, it would be well to have a fairly wide strip cleared. As a permanent condition, though I would not consider that a very wide right of way should be kept cleared, because it would be really a waste to do it. Under the special circumstances of the case, it may be advisable at the present time to have a wider strip here.

Q. It would be very important that the necessary width of land should be taken by the Commissioners now, because it will not cost so much for the extra land required. Now is the time that precautions should be adopted?—A. Yes, I think that is right.

Mr. MAGRATH.—Under conceivable conditions, sparks from a railway locomotive will set a fire 300 feet from the railway. Of course, where there is a dense forest on either side of the line a strip of 100 feet will do. If there is not dense timber, I should imagine you would want a strip of more than 100 feet; it depends upon the character of the timber.

Hon. Mr. FISHER.—There is a railway running through the middle of my farm for nearly a mile, most of it upon cleared land. There will be more or less running fire during the dry season, but I do not think I ever saw it start outside the railway fence; it invariably started inside the fence and ran out. In my recollection of over 30 years, I do not remember ever seeing a fire start outside the railway fence by cinders flying over.

Mr. McLEAN (Sunbury and Queens).—I think Mr. Campbell should carefully look into this matter, so as to advise the Transcontinental Railway Commission respecting the precautions that should be adopted. Indeed we should ourselves recommend the Commissioners to adopt these precautions, in view of the likelihood of fire starting during the dry season.

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The WITNESS.—Yes, there is no doubt of the danger, and that is the difficulty we are under in making provision for the protection of forest lands. If we had mature forests and properly cut woods as a permanent condition, I do not think we would need a very wide right of way. Under the conditions as they exist at present, however, I think it might be wise to have it. In the second place, it is certainly safer to have a ploughed fire guard outside the right of way; that is one of the best things to prevent a ground fire from spreading.

*Mr. Mr. Tobin:*

Q. Do you not think that where lumber is cut within a mile of any railway, the brush left lying close to the railway track should be picked up and burnt. If that cleaning was done within a distance of half a mile, the extra hundred feet suggested would not be necessary?—A. Yes, that would be of assistance undoubtedly.

*By Mr. McLean (Sunbury and Queens):*

Q. Would it not be advisable for some officer of the department to go over the right of way and see what precautions should be adopted, and then make the necessary recommendations?—A. That could be done if the committee thought it desirable.

Q. In the state of Maine, where the Maine Central and the Canadian Pacific Railway lines run through forest lands, big fires have been set every year, and the Commissioners there required that a broader belt should be taken in connection with the right of way, in certain places. Other precautions were adopted for the clearing up of the brush, having a ploughed strip and all that sort of thing?—A. Of course, it is important to have a patrol as well.

Q. You must have fire patrols?—A. If you have a fairly good clearing up of the right of way, and the conditions outside of it are not too bad, and in addition have a thorough patrol, you have reasonable safeguards. I do not think, however, that anything will take the place of a thorough patrol.

Mr. McLEAN (Sunbury and Queens).—No.

*By Mr. Bédard:*

Q. We have to consider what report we shall make to the House, and then it will be all right for my honourable friend, Mr. McLean, to make any suggestions he wishes. In the meantime, we should get some information in reference to tract 'C.' You have not touched it yet?—A. We have very little information about tract 'C.' We have never made an exploration up there.

*By the Chairman:*

Q. You know the general nature of the country, do you not?—A. Yes.

Q. What is it like?—A. It is fairly wooded.

Q. It is a rough country, is it not?—A. Pretty rough. It is generally mountainous and broken. A number of rivers have their sources there. You will notice the Smoky river and others that run into the Peace river.

Q. What large rivers do they run into?—A. The Smoky river runs into the Peace river. The Peace river itself rises further north.

Q. That tract does go as far as the Peace river valley?—A. No, the Peace river valley is above. The British Columbia boundary goes directly north from this point to the 120th meridian.

*By Hon. Mr. Fisher:*

Q. I see that on your map you have divided the land into townships. Is the land surveyed?—A. No, only projected on the map.

Q. Are all these townships farther south surveyed?—A. Only where the lines are solid are the townships surveyed.



*By Mr. Tobin:*

Q. Is there any great quantity of water power on these rivers running through this timber tract?—A. There should be considerable water power capable of development, but we have only got measurements of them from the International boundary as far up as the Red Deer. Up to this river we have measurements which were taken in connection with the irrigation administration, but we have not measurements of the streams farther north.

Q. Are these water-powers still owned by the government?—A. They mostly are, but a few have been leased.

*By Hon. Mr. Fisher:*

Q. No water-powers have been developed?—A. There has been very little development.

Q. I suppose that any development would be in tract 'A'?—A. Yes. The use of the water up to the present time, has been mainly for domestic purposes—that is, the water supply for cities and towns—and what has been required for irrigation and for railway tanks.

Hon. Mr. FISHER.—Mr. Chairman, why not consider now, any recommendations to be based on the information which has been supplied us. Would it not be wise for us to consider a recommendation that these three tracts of land should be placed in a reserve?

The CHAIRMAN.—That is a matter which the committee should discuss. Necessarily, we have been limited in the scope of our work this session, by the fact that the committee was appointed very late. We have taken up two or three very important questions, but this is the most important that we have had before us, and it is the one subject in regard to which, immediate action is imperative. It may make a very great difference whether the creation of this reserve takes place this year or next year. In regard to some things, delay does not mean very much, but with a matter of this kind it is very different; some interests may arise that will make it more difficult to carry out our recommendation, or some damage will take place that might have been prevented had we displayed greater promptitude. Another fact to be borne in mind is, that public opinion on the subject is awake at the present time, and would probably support pretty strong action taken by the government. I am disposed myself to be very strongly in favour of recommending to the House that the whole of the wooded land, or land which has been wooded, upon the eastern slope of the Rocky Mountains should, so far as practicable and available, be placed in a permanent forest reserve.

Mr. TOBIN.—Would it not be a good thing to have one more meeting, and then decide what we should recommend? We ought to communicate with the several departments and the provincial governments as to the advisability of getting information for another year.

The CHAIRMAN.—It would be all right to have another meeting if it could be arranged. It is pretty hard to do so now with the beginning of morning sessions.

Mr. BELAND.—What we should do is, appoint a sub-committee to prepare a report.

The CHAIRMAN.—That might be done.

*By Mr. Tobin:*

Q. Do you not think, Mr. Campbell, that we should get more information from the provincial governments?—A. Yes.

Q. So that they might co-operate with your department?—A. I think it would be a good thing.

Mr. BELAND.—There is a Bill before the House which provides for an appointment of certain provincial representatives.



## APPENDIX No. 4

The CHAIRMAN.—The trouble is this: Mr. Campbell represents a branch of a department, and he does what the minister instructs him to do. He has to do only with Dominion lands, with the protection of forest lands that are owned by the Dominion government.

Mr. TOBIN.—I was just asking the question in order to get his opinion upon it.

The CHAIRMAN.—The trouble is that if the Forestry Branch undertook to do very much with the provincial governments they would simply say, 'You had better attend to your own business.' A body like this committee might invite information from the members of the provincial governments, but we should hardly hold the forestry branch responsible for doing that. Mr. Campbell, how many copies of that blue print have you?

Mr. CAMPBELL.—Six.

The CHAIRMAN.—File those with our secretary, and also the figures you have brought.

Witness discharged.

The CHAIRMAN.—Can we settle what we have to do to-day, or shall we endeavour to have another meeting?

Hon. Mr. FISHER.—I think Dr. Béland's idea of appointing a sub-committee to draft a report, is a good one. I would suggest that the Chairman, Dr. Béland and Mr. Magrath form that sub-committee.

Mr. BELAND.—And yourself.

Hon. Mr. FISHER.—I would suggest that these gentlemen form a sub-committee to draft a report, and submit it on Tuesday next at 10 o'clock to the committee.

The CHAIRMAN.—Suppose we say at a meeting to be called. As soon as we have the report we can choose a convenient time and have a meeting.

Hon. Mr. FISHER.—We can meet at 10 o'clock some morning to receive the report and recommendations.

The CHAIRMAN.—Very good. Is that agreeable.

Mr. BELAND.—I understand Mr. Fisher is to be on the sub-committee?

Hon. Mr. FISHER.—No; place Mr. Wright on it.

The CHAIRMAN.—It is pretty hard to expect Mr. Fisher to come at this period of the session.

Hon. Mr. FISHER.—I have two or three Bills to put through the House. Your sub-committee can sit during the sittings of the House, but the committee cannot.

The CHAIRMAN.—We will probably get an opportunity of consulting Mr. Fisher before we report. Is it the sense of the committee our report should make such a recommendation as I have outlined in regard to this reservation?

Mr. BELAND.—It is, as far as I am concerned.

The CHAIRMAN.—That is the general sense of the committee, is it?

Mr. TOBIN.—I think so.

Hon. Mr. FISHER.—And on the general lines suggested by Mr. McLean, in the nature of a recommendation to the Transcontinental Railway Commission. We had better discuss that.

The CHAIRMAN.—Yes, we will take up each one of these points, but I wanted more particularly to ascertain the sense of the committee in regard to the other matters.

Mr. BELAND.—Mr. McLean's suggestions, of course, would apply to the whole Transcontinental Railway.

Hon. Mr. FISHER.—Yes.

Motion agreed to.

Committee adjourned.

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PROCEEDINGS  
OF THE  
SELECT STANDING COMMITTEE  
OF THE  
HOUSE OF COMMONS  
ON  
MINES AND MINERALS

*PRINTED BY ORDER OF PARLIAMENT*



OTTAWA

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EXCELLENT MAJESTY

1909



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## ORDER OF REFERENCE.

HOUSE OF COMMONS,

FRIDAY, February 26, 1909.

Ordered,—That the following members do compose the Select Standing Committee on Mines and Minerals:—

Messieurs Blondin, Burrell, Chisholm (Antigonish), Congdon, Connec, Devlin, Goodeve, Gordon (Nipissing), Herron, Lanctôt (Richelieu), Loggie, Lortie, Macdonald, McCarthy, McCoig, McIntyre (Strathcona), McMillan, Maddin, Prowse, Rhodes, Smith (Nanaimo), Smyth, Stratton, Templeman, Turriff.—25.

And that the quorum of the said committee do consist of ten members.

Ordered,—That the said committee be empowered to examine and inquire into all such matters and things as may be referred to it by the House; and report from time to time its observations and opinions thereon; with power to send for persons, papers and records.

Attest,

THOS. B. FLINT,

*Clerk of the House.*

TUESDAY, March 9, 1909.

Ordered,—That the name of Mr. Gordon (Nipissing), be substituted for that of Mr. Boyce on the said committee.

Attest,

THOS. B. FLINT,

*Clerk of the House.*

TUESDAY, March 16, 1909.

Ordered,—That the said committee have leave to sit while the House is in session.

Attest,

THOS. B. FLINT,

*Clerk of the House.*

THURSDAY, April 22, 1909.

Ordered,—That the quorum of the said committee be reduced from ten to seven members.

Attest,

THOS. B. FLINT,

*Clerk of the House.*

THURSDAY, May 13, 1909.

Ordered,—That the Summary Report of the Geological Survey Branch of the Department of Mines for the calendar year 1908, be referred to the said committee.

Attest,

THOS. B. FLINT,

*Clerk of the House.*



## REPORTS OF THE COMMITTEE.

## FIRST REPORT.

TUESDAY, March 16, 1909.

The Select Standing Committee on Mines and Minerals beg leave to present the following as their First Report:—

Your committee recommend that they be given leave to sit while the House is in session.

All which is respectfully submitted.

JAMES CONMEE,  
*Chairman.*

(Concurred in by the House, March 16).

## SECOND REPORT.

THURSDAY, April 22, 1909.

The Select Standing Committee on Mines and Minerals beg leave to present the following as their Second Report:—

Your committee recommend that their quorum be reduced from ten to seven members.

All which is respectfully submitted.

JAMES CONMEE,  
*Chairman.*

(Concurred in by the House April 22).

## THIRD REPORT.

TUESDAY, May 18, 1909.

The Select Standing Committee on Mines and Minerals beg leave to present the following as their Third Report:—

Your committee is of opinion:—

1. That there should be assigned to the Mines Department the administration of mines, including the issue of title thereto, and of all mining laws.

2. That an Act should be passed consolidating all the laws relating to mines under federal control.

3. That consideration should be given to a policy which will have for its object the re-acquisition by the Crown of mining rights heretofore granted in patents of land.

Your committee recommend that leave be granted to them to have all their proceedings and the evidence taken by them, printed, and that Rule 72 be suspended in reference thereto.

All which is respectfully submitted.

F. T. CONGDON,  
*for Chairman.*

Third and fourth paragraphs concurred in by the House.





# MINUTES OF PROCEEDINGS.

HOUSE OF COMMONS,

TUESDAY, March 16, 1909.

The Committee met at 11 o'clock a.m.

*Present*:—Messrs. Chisholm (Antigonish), Congdon, Conmee, Lanctôt (Richelieu), Loggie, Maddin, Rhodes, Smith (Nanaimo), Stratton, Templeman and Turriff.—11.

On motion of Hon. Mr. Templeman, Mr. Conmee was elected chairman of the committee.

On motion of Mr. Maddin, it was

Ordered, That the next meeting be devoted to the discussion of the question of jurisdiction of the Department of Mines as well as other questions relating to the organization thereof.

On motion of Mr. Templeman, it was

Ordered, That a report be made to the House recommending that leave be granted the Committee to sit while the House is in session.

The Committee then adjourned to the call of the chair.

JAMES CONMEE,

*Chairman.*

TUESDAY, March 30, 1909.

The Committee met at 4 o'clock, p.m.

*Present*:—Messrs. Conmee, Chairman; Bloudin, Chisholm (Antigonish), Congdon, Herron and Smyth.—5.

The minutes of last meeting were read and confirmed.

Mr. H. H. Rowatt of the Mines Branch of the Interior Department submitted, for the information of the members of the Committee, a synopsis of regulations governing the disposal of minerals on Dominion lands in Manitoba, Saskatchewan, Alberta, the Northwest Territories and the Yukon Territory, viz. respecting quartz mining regulations, coal mining regulations, domestic coal, coal Rocky Mountains Park, coal sales, petroleum and natural gas, placer mining Act, placer mining regulations, dredging regulations, Yukon; dredging regulations, western provinces and territories; hydraulic regulations.

Dr. Haanel, Director of Mines and R. W. Brock, Director of the Geological Survey, who were requested to attend the meeting, gave information relative to the existing mining regulations.

On motion of Mr. Chisholm (Antigonish), it was

Ordered, That the Clerk of the Committee communicate with the President of the Canadian Mining Institute, intimating to him the Committee would be pleased to have one or two representatives of the Institute attend the next meeting of the Committee.

The Committee then adjourned to the call of the chair.

JAMES CONMEE,

*Chairman.*

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THURSDAY, April 22, 1909.

The Committee met at 0 o'clock, p.m.

*Present:*—Messrs. Conmee, Chairman; Blondin, Burrell, Congdon, Goodeve, Gordon (Nipissing), Herron, Loggie, McCarthy, Maddin, Rhodes, Smyth, Stratton and Templeman.—14.

The minutes of the last meeting were read and confirmed.

Messrs. J. B. Tyrrell and B. A. C. Craig of Toronto, and Dr. A. E. Barlow of Montreal, representatives of the Canadian Mining Institute were present and made statements regarding the mining laws, &c. The foregoing at the request of the Chairman, promised to furnish the Committee with a written statement embodying their views with respect to certain deficiencies in the existing mining laws and regulations.

Messrs. R. W. Brock, Director of the Geological Survey, and J. M. Clark, K.C., Toronto, were also present and gave their views regarding the mining laws, &c.

On motion of Honourable Mr. Templeman, it was

Ordered, That a report be made to the House recommending that the quorum of the Committee be reduced from 10 to 7 members.

On motion of Mr. Rhodes, it was

Ordered, That at the next meeting the Committee take up the mining regulations and the mining law affecting the Yukon and consider section by section with a view to reporting to the House as to the advisability of making such changes as are necessary or of drafting a uniform mining Act.

The Committee then adjourned to the call of the chair.

JAMES CONMEE,  
*Chairman.*

MONDAY, May 17, 1909.

The Committee met at 4 o'clock, p.m.

*Present:*—Messrs. Conmee, chairman; Burrell, Congdon, Goodeve, Herron, McIntyre (Strathcona), Rhodes, Smith (Nanaimo), Stratton and Templeman.

The minutes of last meeting were read and confirmed.

The Chairman submitted a communication from Mr. J. B. Tyrrell suggesting the enactment of mining laws best suited to encourage the exploration and development of the mineral resources of Canada. (Printed on page 65.)

The Chairman read a memorandum recommending the preparation, during recess of parliament, of a statute embodying certain provisions for the regulation of the sale or lease of mining lands and rights.

On motion of Mr. Smith (Nanaimo), it was

Ordered, That the proceedings and the evidence taken before the Committee be printed.

On motion of Mr. Congdon, it was

Ordered, That the following be reported to the House:

1. That there should be assigned to the Mines Department the administration of mines, including the issue of title thereto and of all mining laws.

2. That an Act should be passed consolidating all the laws relating to mines under federal control.

3. That consideration should be given to a policy which will have for its object the re-acquisition by the Crown of mining rights heretofore granted in patents of land.

The Committee then adjourned, *sine die*.

JAMES CONMEE,  
*Chairman.*

## MINUTES OF EVIDENCE AND DISCUSSIONS.

HOUSE OF COMMONS,

TUESDAY March 16, 1909.

The Committee met at 11 o'clock, a.m.

The CHAIRMAN (Mr. CONNIE).—Gentlemen, I am very much gratified at the honour of being made chairman of this important committee. I might just say that there is no committee of the House, which has been appointed in recent years, that, in my opinion, has a greater opportunity for usefulness than has this committee. I am not going to discuss that question now more than to say that Canada possesses a greater area bearing the economic minerals than do all the great nations of Europe. As to how far we have made use of that great asset you all know, it seems to me that the development of our mining industry is in its infancy and that there is a great opportunity before this committee to make itself useful in assisting the minister who has been recently appointed to preside over the Mines Department. We have had a Bureau of Mines and a Geological Department for some years and now we have a Department of Mines and I am quite sure that it is the desire of the minister to do the very best that he possibly can, and if the proper sympathy exists between the mining interests and the head of the department and the government of the day, whether it be Liberal or Conservative, it will no doubt give a great impetus to mining in this country. One of the things I hope will not be lacking is that sympathy which should exist between the governing body and the interests involved. We see how well it has worked in trade and commerce and in agriculture and there is still a greater field for it in regard to the mining interest, and I trust and hope that the appointment of this committee will lead to greater activity in mining and more confidence in the industry in this country.

Mr. MADDIN.—I would like to have the resolution appointing the committee read in order that we may see how many members are on it.

(Resolution read by clerk.)

Hon. Mr. TEMPLEMAN.—What is the quorum?

The CLERK.—Ten has been fixed as the quorum by the House; I think that should be reduced because it will probably be very difficult at times to get ten members present.

Mr. MADDIN.—We have not a quorum now, we have elected a chairman, but we have only eight members present now—had we not better fix the quorum at seven.

The CLERK.—The number necessary to form a quorum is fixed by the House.

The CHAIRMAN.—How would it be to try to get along with ten, and if we cannot get ten members to attend we can request the House to reduce the quorum.

Hon. Mr. TEMPLEMAN.—I am sure, Mr. Chairman, every member of the committee will reciprocate the sentiments you have expressed in respect to the mining prospects and the mining future of Canada; and that they recognize the necessity for a committee of this kind, particularly in view of the fact that there is a Department of Mines in existence in Canada. I might say that I am quite certain there is a very strong feeling of sympathy and co-operation between the mining interests of Canada, as represented by the Canadian Mining Institute which is a very represen-

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tative body, and the Department of Mines at the present moment. We have received during the last year or two a great deal of assistance from the Canadian Mining Institute and from prominent officers of that institution. As a department we have tried to co-operate with them and further their interests in every way in our power. At a recent meeting in Montreal the Mining Institute passed a resolution, which I received yesterday—I am sorry I did not bring it with me—in which they are memorializing the government to appoint a Royal Commission to investigate the mining resources of Canada. It occurred to me that the functions of such a commission—the appointment of which I hardly think will be entertained this session at all events—that the functions of such a commission might be very well taken up by this Committee on Mines, which is now being constituted, and which will very largely do the work which would be done by such a commission.

They also passed another resolution which this committee will have to consider, I think, some time during this session; that is the complete organization of the Department of Mines. When the department was created a couple of years ago we followed the line of least resistance and did not include in the department all the branches on mining connected with the different departments; there is still within the department the control of the regulations and the administration and creation of mining laws. It seems to me that the department will not be complete until this branch is included. There was also another recommendation by the Canadian Mining Institute which I think ought to and will receive the consideration of this committee, that is that there should be a general mining law for Canada; that all the present mining Acts and regulations and orders in council which control and govern the mines under the jurisdiction of the Canadian government, which appertain of course to the Yukon, the provinces of Alberta, Saskatchewan, Manitoba and the northern territories, under the jurisdiction of this government—

The CHAIRMAN.—And also I suppose the Indian lands in the other provinces.

Hon. Mr. TEMPLEMAN.—The Indian lands in the railway belt and probably the Indian lands in the other provinces—I am not sure as to the jurisdiction there—there is jurisdiction in the railway belt, British Columbia—

The CHAIRMAN.—And the Indian lands in Ontario for instance?

Hon. Mr. TEMPLEMAN.—Yes, the mining laws govern in all property owned by the Crown as represented by the Dominion. There is a necessity for a general Mining Act. It has been urged by mining men that the regulations and orders in council ought to be consolidated and placed in an Act which is not subject to change, and thereby greater stability would be given and that if there is a fairly good Act put upon the Statute Books probably the provinces from time to time would try to assimilate their laws to the laws of the Dominion so that men who are engaged in mining would the more readily understand the various mining laws that are in force in the Dominion. This indicates to me a lot of very valuable work that the committee may take up in the very near future—at the next meeting say. There are, no doubt, many other things that you will have to deal with, I have just suggested these because they have been brought to my attention by the Mining Institute and that great body, composed of 800 or 900 men all over Canada who are mining engineers, mine owners, capitalists who have invested in the mines—the assistance of these people will be invaluable to this committee, and I am sure they will do everything they can to further the aims we have in view. I am very glad this committee has been formed because I know that it will be of great value to the Department of Mines which we are trying to place on the best possible footing.

Mr. MADDIN.—I would like to ask if the committee will have the services of any members of the Mines Department at its disposal during its sessions?

Hon. Mr. TEMPLEMAN.—Every official in the department is at the service of this committee to give evidence or to do anything to assist in the work it has in hand.



## APPENDIX No. 5

Mr. STRATTON.—Which branch do you think this committee might best apply itself to first—the consideration of the law?

Hon. Mr. TEMPLEMAN.—I think so. That is a question which requires very careful study.

Mr. STRATTON.—Of course it would be of great assistance if you would put one of your officers at work on the laws of the various provinces and of the Dominion, so that they can go over the different laws and see where they disagree. That will assist us in arriving, as you suggest, at one law which will be followed as far as possible by the different provinces.

Mr. CONGDON.—What you can do in respect to that is to have one Mining Act in which the provisions would be applicable to all the various districts in the country with variations to meet the requirements of each section because it will be impossible to make a mining law which will be entirely applicable to the whole of Canada. I have had some experience in connection with the framing of the mining laws of the Yukon. One thing that strikes us in examining the mining laws of the various countries is that probably there are no worse laws in the world than those which apply to mining. The reason for this is that usually they are framed in a hurry under circumstances such as arose in the Yukon and Cobalt which requires it to be done hastily; it had better be done even hastily and poorly than to be postponed until it can be thoroughly considered. As a rule men who know the least about mining and about mining laws appear to be usually selected to draft the laws. With regard to the mining side of the question it seems to me to be utterly absurd to divorce the practical and the scientific side of it. The scientific results of your department can only be the product of the practical experience in connection with the department and I think every one must realize that the Department of the Interior has enough work to do apart from mining, to justify the handing over of the whole mining work of the country to one minister and one department. But with respect to the preparation of a Mining Act, no half dozen men could get to work and in a year frame a Mining Act that would be satisfactory.

Hon. Mr. TEMPLEMAN.—All that you could hope to do would be to start on it at the next meeting.

Mr. MADDIN.—I understand that this committee was the outcome of an arrangement between the Rt. Hon. the leader of the government and the leader of the opposition which grew out of the resolution having for its object the conservation of the resources of Canada.

The discussion on that resolution was curtailed by the Rt. Hon. the leader of the government entering into an agreement with the leader of the opposition that in order to conserve the mineral resources, the fishery resources and the lumbering and water-power resources of the country it would be wise to add three additional committees to the standing committees of the House, and the rules of the House were amended in order to permit of that being done. This is one of the committees which has been appointed as a result of that compact entered into between the leader of the government and the leader of the opposition. If my premises are right I presume that one of the objects of this committee, one of its principal objects will be to take such steps as they shall deem most expedient for the preservation of the mines and the mineral resources of the country. Of course it would not be extraneous to that or foreign to it, to consolidate and bring the mining regulations and the mining laws of the country down to date and to make them uniform, in so far as it can be done, but I think that the opening up of our mineral resources and the getting them into accessible shape should also be one of the chief aims of this committee. I think that the objects of the committee will be served by taking some steps first of all to tabulate our resources as they are known to us up to the present time, and to see to what extent they have gone beyond the control of the government; to see what resources are still under the control of the government and what probable resources the country has that have not yet been handled

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or developed. For instance, the building of the National Transcontinental Railway is opening up a large stretch of country to some extent rich in coal, in oil and in gas. Further west, beyond the passes of the Rocky Mountains in the province of British Columbia it is presumed that this railway will open up country affording opportunities to the prospector in the richer metals, gold and silver. I do not know but what it may be the duty of this committee to recommend the appointment of some one to follow with the engineering staff of this railway, or with the contractors for this railway, where cuttings and borings are being made in order to tabulate and keep a record of the result of these operations. Also to follow the geological formation of the country passed through by the railway cuttings and by the borings to be done by the contractors, and by testing them and making a record of their observations for the government. Then the prospectors who intend to follow that line of business would have some valuable data that would direct them in their searches for further minerals. Apparently, Mr. Chairman, that is the principal object for which this committee was appointed. However, there is no doubt that the committee, acting on the suggestions from the Canadian Mining Institute, as pointed out by the minister, can accomplish a great deal for the benefit of the mining industry of the Dominion of Canada as a whole. I fully appreciate the importance of that organization, made up as pointed out by the minister of an influential and intellectual body of men, the majority of whom have made a special study of the mineral resources of the country, but I take it that the paramount object of the committee will be to take such steps as may be deemed necessary to conserve the resources of the country, as we know them to exist, and I suppose it will follow as a matter of course that we should endeavour to tabulate and record the nature of these, and the extent of them, and have those records accessible to the mining interests of the country.

The CHAIRMAN.—I certainly feel that it is open to the committee to take such action as in the judgment of the committee may seem best for conserving the resources of the country or for utilizing them and also assisting those who are engaged in the mining industry. I would like to ask the minister—I was impressed with the remarks which he made in regard to the Mining Institute, which is certainly a body of men, who have devoted a great deal of time and attention to the subject, and who no doubt will be able to give this committee a good deal of information and assistance—but there is also a Mining Institute of Ontario, I am not aware that there are mining institutes in any of the other provinces, I know there is one in Ontario—

Mr. MADDIN.—There is one in Nova Scotia also.

Hon. Mr. TEMPLEMAN.—They are, I think, subsidiary to the Canadian Mining Institute, there is one in British Columbia which is also subsidiary.

The CHAIRMAN.—Well, there is one in Ontario which was established before the Canadian Mining Institute.

Hon. Mr. TEMPLEMAN.—You are referring to the Ontario Mining Department, are you?

The CHAIRMAN.—No, to the Mining Institute of Ontario, which was established before the Canadian Mining Institute.

Hon. Mr. TEMPLEMAN.—I think there is no doubt that it is affiliated with the Canadian Mining Institute.

Mr. MADDIN.—I think it was originally called the Canadian Mining Society, when the late B. T. A. Bell was president of it 20 years ago.

The CHAIRMAN.—What I am leading up to now is whether it is the intention of the Minister of Mines that we should receive representations or information from any important body of mining men on any subject which they deem of sufficient importance to bring before this committee.

Hon. Mr. TEMPLEMAN.—I certainly think so.

## APPENDIX No. 5

The CHAIRMAN.—I think it will be well to have that impression go abroad that the committee is willing to listen to such representations.

Mr. MADDIN.—In fact the committee will be depending to a large extent on suggestions from such bodies.

The CHAIRMAN.—Well, the committee is here to consider them, and I would think that would be one of the functions of the committee in general.

Mr. STRATTON.—You have had a good deal of experience in such matters yourself and I would think that what we ought to do, now that the committee has been organized, is to get to work on some definite and well defined plan. If we could have, as suggested a moment ago, some officer of the department appointed by the minister, a capable person, who would go over the different mining laws, as they exist at present, and see how far we could have a general law, as suggested by the honourable member for the Yukon, that would assimilate the provisions of the law in the different provinces, or that would be arranged so as to allow the different provinces to work under it and through it. Then we could take up some other matters and get details brought before us which would perhaps give us information upon which to work in connection with some of the other suggestions which have been made. For instance, there is a general feeling that while there has been a Geological Department at Ottawa it has been more or less useless so far as being of any advantage to the mining business of Canada; that it has not been of the practical usefulness that it was expected it would be.

Mr. CONGDON.—I would like to ask the minister if he thinks it desirable to endeavour to get a conference with the different provinces with the view to securing, to a certain extent at all events, uniform laws. Although it is impossible to get them entirely uniform it would be of enormous advantage if the backbone, so to speak, of the legislation with regard to mining, was similar throughout the Dominion. There is one matter especially that is worthy of consideration; take the Yukon, for instance, occasionally a geologist comes in there, he spends the summer there, but he will not tell any one that he has discovered anything. About two years later we discover in some report that he has found something that is valuable—after the information has absolutely ceased to be of any value to any one. It seems to me that one of the most important things to be done in that connection would be to have one man in your department whose duty it would be to collect all the information in regard to that particular section of the country, who would spend most of his time in that country and who would not wait for the publication of his report before giving out any information, but who would publish it as he goes along. Then it would be of some use to the people for whom it is intended. My own experience of geologists is that they are so infernally careful of their reputation that they are of no use to themselves or any one else and that is the case with mining experts generally as a rule. They are very careful about making any definite statements that there is mineral of value there, it does not hurt a man's reputation if, after he has reported adversely, a property should turn out to be of some value but if he should report favourably and it should not turn out to be valuable it would injure his reputation. The whole of those geologists who have gone out from the department are so frightened of their reputations that they will not give out any information until they get back here and spend a considerable amount of time in eliminating every valuable feature from their report until they get something so common place that when it is published it is no good to anybody. I believe that in the Yukon, say, if there was a man of experience in the rock mining industry sent in there and allowed to remain there and to give out information to the people, and I believe the same is true of other sections of the country, such a man would be of invaluable service to the mining industry; more valuable than all the other portion of the Geological Department has been. I would call attention to the valuable work of Mr. A. H. Brooks of the United States staff last



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year in the American territory. Although he was working in the American territory he has done more good to the Yukon territory than all the men we have had in there, simply because his life is devoted to pointing out the value of the resources of the northern country, and of course there is not much difference between the Yukon and Alaska.

Mr. MADDIN.—There will be difficulty in having uniform laws, because each province legislates for itself and the laws which are necessary in one province might not work in with another.

The CHAIRMAN.—I think, perhaps, now that we are organized, we had better take these matters up, if we can, in some systematic manner. We must start on something and we will have to arrange for meetings. What days of the week will it be convenient for us to hold our meetings? I think the most important thing for us to take up first is to get the Department of Mines really established; to give such assistance to the minister that he will be able to give us the information as to how far the question of dealing with mines and metallurgy in all its bearings is under the control of the Minister of Mines; and not only the minerals but the lands, the laws, the regulations and the general application of these matters. I understand that the control is now spread among different departments, I know for a fact that it is spread over three departments, and it may be more. The Department of the Interior has control of certain portions of the land, the Indian Department deals with other lands and we have the Geological Department, or the new Department of Mines, I suppose we may call it; and all these matters are indefinite, and I think the first work we can take up to advantage would be to make some recommendation, as far as this committee can to solve the question, as to what shall be the jurisdiction of the Department of Mines, and what are the public interests to be dealt with. Then of course as to the regulations, the minister and his staff will arrange these matters, I presume, themselves. The gentleman from the Yukon (Mr. Congdon) has given us some very good advice this morning. There is no doubt but that it is going to be a difficult task to make a uniform law and for various reasons. In this country our mining, speaking generally, is quartz mining and the geological conditions under which we find the economic minerals, the valuable minerals, are not the same all over. It varies in every district, and varies to a considerable extent even in a small area. (In fact one may say, and with a good deal of truth, that it varies more or less in each occurrence, that in each vein, bent or deposit.) It is not the mineral that we find in the quartz or accompanying rocks that is of value to the country, it is the minerals that we can get out of that quartz, that which we can save, that is of value and therefore if we are making a law we have to bear in mind that the experience has been, not only in Canada, but all the world over, that the problem we have to solve is the separation of the economic minerals from their native quartz and in this country we have to take into consideration what are the different formations in which these minerals occur and in what section of the country we find them. For instance in one section we may find them in contact with granites or schists, in another in the Huronian formation, it is just so not only with the basic minerals but with other classes of minerals as well, we find them in a certain formation and in different combinations and we find that they differ somewhat here to what they do in any other country and our country is so vast that they differ very largely in various sections of the country. We in Canada cannot get, at least that is my idea, experts from foreign countries that can come here and solve these questions for us because of their experience and knowledge gained in any other country; that is a help, that is a great benefit, that is a foundation, but it does not meet our requirements. Our own people are not yet perhaps as well educated or as well qualified to grapple with this subject as they will be later on. My view is that it is not in the geological scientific works of the past that we will find the solution for a great many of the problems that will confront us, but it is by working them out by our own energies and whatever genius we possess. That will be something that will



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meet us when we come to draft the law and to apply it in a general sense. I do not mean to say that we cannot make a law that will be uniform in very many of its provisions, but we will have to give a good deal of consideration, I fancy, when we come to deal with the subject, even if we were experts in it, to the varying conditions in the different sections of the country in which minerals do occur. I would suggest that, with the approval of the committee, at our next meeting, we take up the question of the jurisdiction of the Department of Mines.

Mr. MADDIN.—And that the minister will bring us all the orders in council and all the legislation in the way of mining laws in connection with the Department of Mines.

The CHAIRMAN.—I do not think that the question of jurisdiction would cover the mining law, but of course it might more or less involve the consideration of that.

Mr. MADDIN.—We might have all that here.

Hon. Mr. TEMPLEMAN.—The work of the Department of Mines does not at present include the administration of the mining law.

The CHAIRMAN.—I know that, but it is our duty to see that it does.

Hon. Mr. TEMPLEMAN.—All mining laws originated with the Department of the Interior and are administered by that department. The question of uniting that branch of the Department of the Interior with the Department of Mines at the time this Act was passed was considered, but it was found that if we wanted to pass an Act that session—that was two sessions ago—difficulties would be encountered, and I thought it was better to get the Act on the Statute Book and look for consolidation later. The Act as it is framed, covers everything relating to mining and requires no amendment. We could have here at our next meeting officials who can explain to us what their work is. I think that is a good work for the committee to take up at our next meeting. The Department of Mines, I might say, has already done something along the line of the Grand Trunk Pacific. We have had men following the construction of the Grand Trunk Pacific obtaining information. Mr. Congdon's strictures on the Geological Survey apply, I think, more particularly to what the Geological Survey used to be than to what it is now. The Geological Survey of to-day is devoting all its energies to the economic side of geology with a view to assisting and encouraging the mining industry of Canada, and we are sending parties only to those sections of the country where mining is either progressing or where good prospects have been found. There is a difficulty in geologists or any official of the government, going out purely as officials to obtain information and giving that information to the public. No member of the staff can give any information to the public unless by permission, and we find we are up against this difficulty that very often private interests desire to have the advice of the geologist who has been examining a certain section of the country. I remember an instance where Dr. Ellis, who was on Queen Charlotte Island examining the coal formation, and Mr. Leach in the Telqua Valley, exploring the coal formation, and private interests wanted to secure land there, were very anxious to secure information before the reports were published. I am bound to admit that the criticisms respecting the delay in issuing reports is well taken; there has been at times too much delay; the geologists are out on the survey all the summer and return in the fall, and in the winter they do their work in Ottawa writing the reports and preparing maps and plans, because all the country, so far as the surveys have taken place, is being mapped out geologically. That work takes them all the winter.

Mr. CONGDON.—And when they are published they are thrown somewhere where nobody ever sees them.

Hon. Mr. TEMPLEMAN.—My instructions are very explicit that these reports must be given to the public as quickly as possible. That is a matter with which this com-

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mittee may possibly have something to do. If you desire we can have here the chief officers of my department, Mr. Brock, head of the Geological Surveys Branch, and Dr. Haanel, Director of Mines Branch and the Secretary of the Mines Branch of the Department of the Interior; he is not in my department, but I will ask Mr. Oliver to send him here. I think that will be ample work for the next meeting.

Mr. CONGDON.—I would like to ask the minister if, in his opinion, the instructions to withhold all information given to men sent out by the department does not defeat the very object for which the man is sent out, because the result is this, that in 999 out of 1,000 cases he will say that he knows nothing about it when asked although he could give the information, if he were permitted to do so at a time when it would be of advantage. If the information was open to the public as soon as the official obtained it then there could be no objection, because all would be on the same footing. I do not know of any good objection to a geologist who comes into a district and discovers minerals making it public at once. There would be greater safety for him to give that information to the public instead of giving it privately to a friend.

Hon. Mr. TEMPLEMAN.—We will strictly object to any officer giving information quietly to a friend. I have asked the officers of the department to prepare a preliminary report and give it to every person at the same time, and we have published reports in the press respecting the coal formations in the Queen Charlotte Islands far in advance of the publication by the department, but in that case it went to the whole public and not to any individual or any company. Supposing we had a geologist surveying in the mountains where we know there are unlimited coal deposits and he obtained valuable information and he gave it say, to some promoter of a company a month in advance of giving it to the public; the company would come in and corral all the coal area in that particular district. We could not administer the department on those lines at all. Whatever information is given must be given either through the press or by circulars to the public, all at the one time.

The CHAIRMAN.—Your idea is that we take up at the next meeting what may be termed the general jurisdiction of the Department of Mines? Will some one move that the next meeting be devoted to the discussion of the jurisdiction of the Department of Mines, that will involve the question of laws, regulations, &c.

Mr. MADDIN.—I move that the next meeting of the committee be devoted to the discussion of the question of the jurisdiction of the Department of Mines as well as to other questions relating to the organization thereof.

Motion carried.

Committee adjourned to meet at the call of the chair.

TUESDAY, March 30, 1909.

The Committee met at 4 o'clock, p.m.

The CHAIRMAN.—I may say, gentlemen, that a motion was made and passed in the House giving us the privilege of sitting while the House is in session. On the motion of Mr. Maddin I believe that Mr. Rowatt, secretary of the Mines Branch, has been asked to come over and bring with him certain orders in council and regulations and laws affecting mining as they have them in that branch. Perhaps Mr. Rowatt will give us the information he has.

H. H. ROWATT.—I have prepared a half dozen sets of our regulations. At the beginning you will find a synopsis of the regulations and on the cover a list of the subjects.

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The CHAIRMAN.—This is a sort of digest I suppose?

Mr. ROWATT.—Yes, all the regulations are here. These are all the regulations we have.

The CHAIRMAN.—Have you any statutory enactments?

Mr. ROWATT.—Yes, one only, the Yukon Placer Mining Act, and it is here also.

The CHAIRMAN.—No general Act?

Mr. ROWATT.—No.

Mr. WILLIAM CHISHOLM.—To what do these regulations refer?

Mr. ROWATT.—They refer to quartz mining, coal mining, both domestic and coal sales, coal leases, petroleum and natural gas, the Placer Mining Act, placer mining regulations, dredging regulations in the Yukon, dredging regulations in the western provinces and territories and hydraulic regulations.

Mr. Wm. CHISHOLM.—Has Manitoba the control of her own mines?

Mr. ROWATT.—Manitoba, Saskatchewan and Alberta, the Northwest Territories and the Yukon Territory do not control their mines. They are controlled by the federal government.

The CHAIRMAN.—I think perhaps it would be interesting for the committee to hear this digest read. Perhaps the clerk will read it.

The CLERK reads:—‘Short synopsis of regulations governing the disposal of minerals on Dominion lands in Manitoba, Saskatchewan, Alberta, the Northwest Territories and the Yukon Territory.

## QUARTZ MINING REGULATIONS.

Any person 18 years of age or over who has discovered mineral in place may locate and obtain entry for a claim 1,500 feet in length by 1,500 feet in breadth. A legal post at each end of the claim on the lines of the lode or vein should be planted and properly marked, the line joining them being cut out. Work on the claim to the value of \$100 must be done each year, or that amount paid, and a certificate obtained. Survey accepted as work for one year. When \$500 worth of work has been done or paid, a survey made, and certain other requirements complied with, a Crown patent may issue on payment for the land at \$1 an acre.

## COAL MINING REGULATIONS.

The coal mining rights under an area of 2,560 acres may be leased for a period of 21 years renewable for an additional term of 21 years, at a rental of \$1 an acre per annum. In surveyed territory a description by sections is necessary, in unsurveyed territory the tract must be staked out. A royalty of 5 cents per ton on the merchantable output is collected. The same area of coal mining rights in surveyed territory may be reserved for an applicant for a period of two years to prospect thereon for coal, upon payment of a fee of \$100. The applicant must expend each year in prospecting operations by recognized methods the sum of at least \$1 an acre in connection with the rights reserved for him. If he complies with the regulations he is considered the first applicant for a lease.

## PERMITS TO MINE COAL FOR DOMESTIC PURPOSES.

An applicant may stake out an area not exceeding three acres by placing a post at each corner. Rental \$5 an acre per annum and royalty from ten to twenty cents per ton. Permit renewable yearly.



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## COAL MINING RIGHTS IN THE ROCKY MOUNTAINS PARK OF CANADA.

A lease may be obtained of not less than 160 acres and not more than 640 acres of coal mining rights in the Rocky Mountains Park. Term of the lease 20 years; rental \$1 an acre per annum, and royalty 5 cents per ton.

## REGULATIONS GOVERNING THE SALE OF COAL MINING LANDS.

Formerly an applicant might purchase 320 acres of coal mining lands at the rate of \$10 for surface and under rights, and \$7 an acre for coal mining rights only. These regulations were rescinded in March, 1907.

## PETROLEUM AND NATURAL GAS REGULATIONS.

The minister may reserve for an applicant who has machinery on the ground to be prospected an area of 1,920 acres in a compact block for such period as may be decided upon. If oil in paying quantities is discovered the discoverer may purchase the surface and petroleum rights of the above area at a price varying from \$1 to \$3 an acre. If the surface rights have been disposed of the petroleum rights only are conveyed and the operator must arrange with the surface owner. A preliminary reservation may also be made of the petroleum rights under a like area for a period of four months to enable applicant to install machinery. Fee \$100.

## YUKON PLACER MINING ACT.

Any person 18 years of age or over may stake out and obtain entry for a placer mining claim 500 feet long and varying from 1,000 to 2,000 feet wide. The ground should be marked by two legal posts. Work to the value of \$200 must be done on the claim each year and a certificate obtained. Annual fee \$10. Adjoining claims may be grouped for operation. The owner of a claim is entitled to the seepage water and the use of so much water naturally flowing through or past his claim and not already appropriated as may be necessary to work the ground. On all gold shipped from the Yukon Territory a royalty of two and one half per cent of its value is collected.

## REGULATIONS GOVERNING PLACER MINING IN MANITOBA, SASKATCHEWAN, ALBERTA AND NORTH-WEST TERRITORIES—APPROVED BY ORDER IN COUNCIL DATED FEBRUARY 8, 1909.

The provisions of these regulations are similar in most respects to those of the Yukon Placer Mining Act. The fees charged and the representation required are less.

## DREDGING—YUKON TERRITORY.

The minister may grant the exclusive right to dredge for gold, silver and platinum in ten continuous miles of a river. Rental \$100 per mile for the first year and \$10 for each subsequent year. Term 15 years, renewable. Within three years from the date of the lease a dredge must be installed and worked 40 days of 10 hours each in every year. Royalty two and one-half per cent on the gold shipped.

## DREDGING IN RIVERS OF MANITOBA, SASKATCHEWAN, ALBERTA AND THE NORTHWEST TERRITORIES.

The minister may grant the exclusive right to dredge for minerals in ten miles of a river. Rental \$10 a mile per annum. Term 20 years renewable. Lessee shall have



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one dredge in operation for each fifteen miles or portion thereof within one season. Royalty two and one-half per cent on output after it exceeds \$10,000.

## HYDRAULIC REGULATIONS.

Formerly an applicant might obtain a lease of the mining rights under an area of five square miles provided it was shown that the tract was not suitable for placer mining, that there were no mining operations on or in the vicinity of the tract, and that there was an available supply of water and available dumping ground. Rental of \$150 for each mile of frontage. Machinery to be installed within one year and not less than \$5,000 expended in mining operations each year. These regulations were rescinded in February, 1904. Applications for lands for stone quarrying, marl, gypsum, fire clay, sand, asphalt, marble, brick and all other such purposes are dealt with upon their merits.'

The CHAIRMAN.—That is the whole of this digest and I suppose it also covers the statutory enactments referred to?

Mr. ROWATT.—Yes, sir.

The CHAIRMAN.—If there is no discussion on that I have a resolution here. A number of copies were sent to me but I do not happen to have them with me to-day. However, I have a copy here and I may read it. I may say it is a resolution which was passed by the Mining Institute at its recent meeting in Montreal and in which they memorialize the government to take certain action. The resolution reads as follows:—

'That the Canadian Mining Institute in annual meeting assembled instructs the council to appoint a standing committee to urge upon the government the necessity of early action with regard to the following resolution passed by the annual meeting held at Ottawa in March, 1908. 'Whereas in view of the increasing importance of mines and mineral lands subject to the jurisdiction of the Dominion parliament, be it therefore resolved that the Canadian Mining Institute in annual meeting assembled do hereby memorialize the Dominion government to appoint a Royal Commission to secure evidence concerning the requirements of the mining industry in this regard, and to draft mining laws to be submitted for the consideration of the Dominion government. And as an argument in support of the appointment of such a Royal Commission, be it urged that when a statute to be enacted by the Dominion parliament declares with clearness, conciseness and certainty the laws relating to mines and mining under federal control, such a statute would, as far as local conditions permit, be followed by the various provincial governments, thus ensuring as far as practicable a uniform system of mining laws throughout the whole Dominion.

'2. That the Dominion government take early action to complete the organization of the Department of Mines by transferring to it the complete administration of all mining lands subject to its control.'

I think, gentlemen, that at our last meeting the view of the members then present was that this subject might be taken up at this meeting. So that now that this resolution has been read and we are here, I think the matter is open for discussion. What is your pleasure that we should do in regard to this question?

Mr. WM. CHISHOLM.—Does the resolution mean that the local governments should follow the legislation of the Dominion government?

The CHAIRMAN.—No, that is not the resolution.

Mr. W. R. SMYTH.—It suggests it does it not?

The CHAIRMAN.—This resolution suggests that the Dominion should pass a law that would be general in character that might be applicable to the whole Dominion, and that would give certainty and stability to mining investments. And they throw

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out the suggestion that if we do succeed in passing such a law the provinces would probably adopt it and therefore it would become more uniform instead of merely applying it to the mining lands which are under federal control.

Mr. W. R. SMYTH.—Whoever undertakes that has his work cut out.

The CHAIRMAN.—No doubt it is a big question, but it is one with which this committee must grapple. I do not think there is any escape.

Mr. Wm. CHISHOLM.—But conditions are different in different parts of the country. Take for instance the maritime provinces. Take Nova Scotia. There the conditions are entirely different from what they are out west. In Nova Scotia the mining lands are controlled by the local government and it is not at all likely that they would adopt a law that would ensure uniformity.

Mr. CONGDON.—What they want is a model law for the territory covered by Dominion jurisdiction in the hope that if it is satisfactory the various provinces may adopt it.

The CHAIRMAN.—Of course there are a great many interests even in the provinces in coal mining, in gold mining, in quartz mining, in placer mining, that will be affected by a Dominion law, that is to say having regard to safety appliances for the protection of life and to the Criminal Code in the preservation of order in such territories. It must all come under Dominion jurisdiction so that any law we make will more or less apply to mining all over the Dominion. But the actual mode of mining and questions as to whether there should be a royalty or what should be paid for the mine or what their output should be—all those are matters over which the provinces have control.

Mr. JOHN HERRON.—Will the Dominion government be liable to accept any recommendation that this committee might make?

The CHAIRMAN.—I think the object of parliament in appointing the committee was to receive suggestions. The object was perhaps two-fold. First, to secure as far as the committee might be able to recommend some means of protecting the public interest, of conserving, you might say, mines or other natural resources that come under the heading of mining.

The CLERK.—The order says 'that the said committee be empowered to examine and inquire into all such matters and things as may be referred to it by the House and report from time to time its observations and opinions thereon with power to send for persons, papers and records.'

Mr. Wm. CHISHOLM.—The first thing then would be to have some evidence which would apprise us of the defects that exist in the present regulations. Is there any or much complaint in that regard? Perhaps Mr. Rowatt might be able to tell us something about that, whether there is anything inconsistent in the law or regulations as passed by the Dominion government, and in what respect these complaints exist. Are there real complaints?

The CHAIRMAN.—I think that is a part of our duty to find out.

Mr. JOHN HERRON.—I can say that the coal mining regulations have not been satisfactory to the miners nor I believe to the operators in Alberta until those last amendments. Whether they are agreeable or not I do not know.

The CHAIRMAN.—We have here to-day Dr. Haanel, who has some charge in connection with mining and who perhaps in moving around has gained some knowledge of whether the existing regulations are sufficient or whether there is dissatisfaction. I know myself there is considerable dissatisfaction.

Mr. W. R. SMYTH.—The dissatisfaction is from local causes chiefly.

The CHAIRMAN.—I would like to hear from Dr. Haanel.

Dr. HAANEL.—I have not made it a matter of study, but it seems to me quite evident that if the Canadian Mining Institute, which consists of miners from the

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various territories, takes the matter up it must be a very serious matter and there must be some basis of dissatisfaction. That is quite evident. Of course I cannot cite any special case, but it seems to me that perhaps the parties who have been interested in getting up that resolution might be cited as witnesses in order to give testimony why they passed that resolution and wherein the dissatisfaction consisted. One of the parties who urged that resolution is an eminent mining lawyer, Mr. Clark, of Toronto. I think if he were called here to give testimony he would convince you in a very short time that it was necessary that the mining regulations should be codified.

Mr. W. R. SMYTH.—Is that Mr. J. M. Clark?

Dr. HAANEL.—I do not know his initials but I know he is the author of a book on mining.

The CHAIRMAN.—I know the man very well. He is very well posted on mining.

Mr. W. R. SMYTH.—He may be posted on mining law but he does not know anything about mining.

The CHAIRMAN.—I suppose he knows no more about mining than the average lawyer who has looked into the thing. What is your pleasure we should do with this resolution of the Canadian Mining Institute which has been referred to us. That is the most important body of mining men assembled together in the country and I think their representations are not made without cause. I think they are worthy of very careful consideration by this committee. I would like to hear from the members what they think we ought to do.

Mr. CONGDON.—I think the first thing is that we are not going to recommend any Royal Commission. At the time that resolution was passed it was not known that a committee of this kind had been appointed. This committee can discharge the functions of a Royal Commission. In the next place an endeavour has already been made to get between two covers the laws relating to this. One of the defects in the regulations, and I think Mr. Rowatt will appreciate this, is that they are not so accessible as Acts of parliament. You can find Acts of parliament, but it is one of the hardest things to find these regulations that touch here, there and everywhere and one is never sure what amendments have been made. With regard to the laws they can easily be got, but necessarily, many of these regulations are somewhat primitive at the present time because under them no great mining operations have been carried on and laws relating to mining must grow very largely as the industry grows. It is useless to attempt to make mining conform to laws. The laws ought to conform to mining. I think by calling the attention of the Institute to the fact of the appointment of this committee and to the fact that the committee has got together all the regulations and all the laws relating to the subject and telling them that we would be pleased to hear at any time anything the Institute has to offer showing the direction in which those laws could be improved—that is about the only answer we could give. I think there is a more important matter even than this. Mining laws are always defective and we can never make them anything else. The only thing to do is to try and get them as perfect as possible. What this committee specially wants to know is the mining resources of Canada, the fields to which these laws are applicable, the work contemplated at the present time. The most desirable work which this committee could undertake is to endeavour to get together and to present to the world in a consolidated form the laws and also the fields for mining operation in the country.

The CHAIRMAN.—What have you to say to this last paragraph? ‘That the Dominion government take early action to complete the organization of the Department of Mines by transferring to it the complete administration of all mining lands subject to its control.’

Mr. CONGDON.—I say with regard to that that it is a most difficult question because you must still maintain uniformity in regard to the lands under the Interior Depart-



ment. You must still leave in the Department of the Interior the right to deal with those lands as pure lands and one of the difficulties in connection with this question is that in retaining in the Department of the Interior the lands merely agricultural and passing over to another department the lands so far as mines are concerned you are divorcing the two and creating a bigger thing in that way.

The CHAIRMAN.—But why have you to leave the lands in the Department of the Interior? Are not all lands purchased under the Mines Act under the heading of Mining Land?

Mr. CONGDON.—You might make some provision of that kind, that when a certain thing occurs the land might be transferred to the Mines Department, but it would be difficult to say what lands should be transferred and what time they would be transferred.

Mr. W. R. SMYTH.—That is working out very satisfactorily in the province of Ontario. They have in the Department of Mines a Deputy Minister of Lands and a Deputy Minister of Mines.

The CHAIRMAN.—I do not agree with that. I do not think it ever worked well. I do not think it is working well.

Mr. JOHN HERRON.—In my country it is different. There is a great deal of coal land which is agricultural land.

The CHAIRMAN.—It is a question that will take some working out.

Mr. ROWATT.—I assume that what you have reference to is this, that the disposition of mines and mining lands be brought under the Department of Mines and that department will deal with them in a scientific manner after they become mines.

The CHAIRMAN.—That is the idea.

Mr. ROWATT.—Our department, that is the Department of the Interior, is a department of lands, and the duty of the Department of the Interior is largely confined to disposing of lands. In the majority of cases it is not known where these mines are. The department after disposing of the surface to the Crown must necessarily dispose of what is underneath because when application is made for any mining rights it is necessary to consult the department in order to dispose of the surface. Looking at it in another way, minerals are of two kinds, base and precious. From all time in the Dominion federal lands have been disposed off with a reservation applying to gold, silver and platinum. Gold and silver are always reserved, but our department has issued 455,000 patents without making any reservation whatever. That is they convey to the person who obtains the lands all rights to them, the surface rights, the under rights, everything excepting of course the common law reservation of precious metals. Now, if an application is made for a patent the applicant must first consult the patents of our department in order to know whether the rights to the land are still vested in the Crown or whether some person by getting a patent for the surface has secured all the rights underneath with the exception of gold and silver.

Mr. CONGDON.—May I ask when these patents were issued?

Mr. ROWATT.—They have been issued since Confederation up to November 1, 1887. Our department is still issuing patents on the short form, that is reserving nothing to the Crown. Now when we receive an application we do not reserve any mineral excepting gold and silver.

Mr. CONGDON.—Are you issuing these in pursuance of rights arising prior to 1887?

Mr. ROWATT.—On mines before 1887. Suppose a discovery is recently made. The settler applies for a patent and suppose he was resident before 1887 he gets the short form of patent. It is impossible for us to know without examining all those patents what the rights of the Crown are in that land. Therefore you can see how closely



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the Mining Lands Branch is connected with the Interior Department. We are not the Mines Branch. It is a branch that is known as the Mining Lands Branch. That is, we dispose of Dominion lands. There is another branch for disposing of timber or grazing lands. They are simply a part of the same department and I can see it would be a difficult thing indeed to separate one branch of the Interior Department from another on account of the very close connection between them. I have had the pleasure of discussing this matter very fully with Mr. Templeman, and I think he was convinced that it could not be done.

The CHAIRMAN.—Why could not the branch perform its functions as well under the Mines Department as under the Department of the Interior?

Mr. ROWATT.—When we receive an application for any mineral land we must get reports from our railway lands branch, our patents branch, our grazing branch and our timber branch. If we had to go to another department we could not have access quickly. You know there have been complaints of delays in the departments and this would simply multiply them.

Mr. CONGDON.—That difficulty occurs in the provinces too.

The CHAIRMAN.—I want to ask another question. We do not know, perhaps we have not got an officer who deals with mining rights. Suppose a mining claim comes in that a discovery has been made, does that come to your branch?

Mr. ROWATT.—Yes, right to our branch.

The CHAIRMAN.—Then have you not still the Department of Mines, or do you deal with it entirely in your own branch.

Mr. ROWATT.—Entirely.

The CHAIRMAN.—Then an application for land and minerals under a discovery is not dealt with by the Mines Branch at all but by your branch?

Mr. ROWATT.—By the Mining Lands Branch of the Department of the Interior.

The CHAIRMAN.—I think we had better dissolve the Department of Mines if that is the case.

Mr. ROWATT.—When a piece of land is disposed of for mining purposes it is not a mine. It is simply a discovery and our department disposes of the land including what the discoverer considers to be his discovery of minerals. It eventually passes out of the hands of our department absolutely. There comes a time, for example in quartz mining, when we issue a patent for that land. It passes out of the hands of our department absolutely and we have nothing further to do with it except in some cases where a royalty is charged. But it is then in the same position as a piece of agricultural land.

Mr. JOHN HERRON.—In our province of Alberta, I do not see how you could possibly separate the mining lands from agricultural lands.

The CHAIRMAN.—It is done in other countries. In France, Belgium, Switzerland and Sweden.

Mr. JOHN HERRON.—You would have to transfer half of the province of Alberta.

Mr. CONGDON.—When the Department of the Interior issue to any person mining rights those mining rights would come under the jurisdiction of mines.

Mr. W. R. SMYTH.—That is the way it is done in Ontario.

Mr. WM. CHISHOLM.—That is what is done in Nova Scotia. You get the lands but there is a reservation of minerals, say to John Brown. The application is made for the right to the minerals. He gets the right to the minerals and he goes on to John Brown's lands and he leases them under certain conditions. The first thing when the mineral is discovered is that the discoverer inquires whether this was a grant before a certain date when the reservation began. If it is then he has got to bargain with the owners for the minerals. Why should you not have the same thing

with regard to the minerals of Canada? The Interior Department disposes of lands and makes such reservations with respect to minerals as they deem necessary. Then the patentee gets the land but over the minerals which have been reserved he has no control at all. Afterwards, if they are discovered and an application is made by the discoverer for the minerals and if the patent had been issued prior to the time of the reservation then of course the applicant for the minerals could not deal with the Mines Branch. He has got to deal with the owner of the soil. If not he deals with the Crown represented by the Lands Branch and gets the minerals.

The CHAIRMAN.—That is a principle not yet embodied in any Dominion statute or Dominion regulation. When the land is sold under the patents which are now given, it conveys to the owner of the land all the soil and what is below.

Mr. W. R. SMYTH.—So it should.

The CHAIRMAN.—I do not know that it should. That is what it does. Now they have no right for the explorer to go upon that land. In some countries they have such laws. In the province of Ontario they have such a law.

Mr. W. R. SMYTH.—Not now.

The CHAIRMAN.—It might have been repealed. It never was made a very practicable condition because the explorer there would have to give to the surface owner first damages for any injury he might do to the property and secondly he would have to agree with the owner as to the value and number of acres required for the working of his mine. In addition he has to pay a percentage of the profits to the owner of the soil. Now, whether we want to lead up mining with all sorts of difficulties is another question. We are in this position. We have a young country, we have a vast area of mining lands not yet located, we are perfectly free to make with regard to these lands any conditions which will inure to the benefit and advantage of mining. Of course in doing that we want to be careful that we do not prejudice agriculture or any other class. Now that is our task as I understand it. It is a question for this committee to prepare to get information as to how best to deal with it. I think that is a very great question for us to solve. I think upon the solution of that question depends a great deal of the prosperity of mining in this country. In my judgment it is not at all in the public interest that it should continue to be as it is.

Mr. CONGDON.—Under present conditions the cases which Mr. Rowatt has spoken of are exceptional, I suppose?

Mr. ROWATT.—Yes.

Mr. CONGDON.—Under the ordinary grant there is a reservation not only of the precious but of the base metals.

The CHAIRMAN.—Under the patents giving their reservation, what provision is there for the explorer to go on and make a discovery or for the mine operator to work the mine if it is found?

Mr. CONGDON.—It is not in the patents it is in the law.

Mr. ROWATT.—Every patent issued by the Dominion government since November 1, 1887, with the exceptions I have mentioned—there were nearly half a million before that—contains a provision reserving to the Crown the mine and minerals together with full power to enter thereon, and for that purpose to use and occupy that land or so much thereof as may be effectual for the operation of the mine and minerals. So that the patent only gives to the owner of surface rights the right to operate the surface and it reserves to the Crown the right for any one to enter that land, to prospect for minerals, and to take up any minerals that are on the land and to take away from the owner of the surface such portion of the surface as may be necessary for the effectual operation of the minerals.

Mr. W. R. SMYTH.—That is exactly what was in Ontario, but they have repealed it.

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Mr. CONGDON.—We are getting into one of the most difficult fields of law and mining. In England the law is well defined. Any grants of the land and separate grants of the mining under the lands must be so worked, that is to say, the mine owner must work his and the surface owner must work his so as not to work mutual injury. In the territory spoken of by Mr. Herron, in the agricultural lands of Alberta, even if you discovered an enormous mine that mine would scarcely exceed in value the surface. In California they have, I understand, prohibited dredging because in dredging they were injuring the surface, and they are only allowed to dredge if they restore the soil and leave it for agricultural purposes as before. There are other territories, Cobalt and Gowganda perhaps where it makes no difference if you destroy the surface or not. You have got to make the greatest difference between first-class agricultural land and land which is of no use whatever. In the Yukon Territory this is provided for in our Act. A person can stake a claim either on Dominion land or on ground occupied by any person except where there is a dwelling or where it is occupied by some other person for mining purposes. Take the ordinary land which a man has for agricultural purposes. If you want to transfer it you have to give security. It is a great field and it seems to me that the only way of properly treating it so far as Dominion lands are concerned is to treat the two, the reservation and the patents under the Mining Act which operates for that. Of course it is easy enough to criticize the past when not enough was known, but one of the difficulties in former times was that the patent made a reservation or the mining regulations or Acts were made without reference to this reservation. Now one of the most important things we could do would be to consider the question of reservations and to pass our mining laws purely in reference to mining lands, but it will be very hard to find one that will apply to all parts of the country.

The CHAIRMAN.—I think that in any law that is adopted by the Dominion the different sections of the country having regard to the formation and other local conditions will have to be recognized, and the Act will have to apply under different heads. I assume that that would be necessary owing to the very varied character of our mining and to the very great extent of country over which it is spread. I think there is no doubt that we will have to recognize local conditions that exist in one section of the country and do not exist in another.

Mr. WM. CHISHOLM.—It would be better, however, to have the administration of the mines left with the local legislatures. They would be in a better position to judge of local conditions.

The CHAIRMAN.—The administration of mines is vested in the local legislatures in the provinces that form the confederation, but in those provinces that have become part of the Dominion since confederation the mines and minerals are vested in the Dominion.

Mr. CONGDON.—In some cases it is better because you secure uniformity over a large area.

The CHAIRMAN.—Of course it is an important question with the provinces that entered confederation because the mines are a source of revenue to them. They entered confederation reserving to themselves the mines and minerals and so on while the other provinces, such as Manitoba and Saskatchewan, have been created by a federal authority and have no such vested rights.

Mr. JOHN HERRON.—I cannot understand why this committee should waste its time dealing with the provinces that own and control their own minerals.

The CHAIRMAN.—We are only proposing to deal with mines over which the federal authority has jurisdiction. We do not propose to deal with the rights of the provinces at all.

Mr. W. R. SMYTH.—We will endeavour to get such an Act as the provinces would perhaps accept.



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The CHAIRMAN.—They would not have to take it, but if it appealed to their good judgment they might do so. If we could produce such an excellent Act that they thought it would be better for them I have no doubt they would adopt it. They are just as anxious as we are to have the best regulations they can get.

Mr. WM. CHISHOLM.—What about that resolution? Would it not be better to instruct the clerk of the committee to communicate with the secretary of the Mining Institute and inform him that the committee would be pleased if the institute sent a representative to discuss the matters covered by the resolution.

The CHAIRMAN.—That might do.

Mr. JOHN HERRON.—Before you put that I would like to state what my opinion is regarding a Royal Commission. I am of the opinion that a committee of some kind or a Royal Commission should have the power to go and examine the conditions in our country with reference to mines. I know they have not been satisfactory in the past and I think that summoning two or three men, for we could not subpoena very many men from a province, would only enable us to have the personal opinion of those men. There are no great mining organizations at least in my country, but a commission going over the ground would be able to get a vast amount of knowledge and ascertain the opinion of the men engaged in mining, both prospectors and operators. This parliament will meet again next November, and in the meantime, this committee or commission could prepare a report which would be of very great assistance and have it ready by the time we come back. I am of opinion that that would be the best thing to do.

Mr. WM. CHISHOLM.—If we had the benefit of the experience of members of the Mining Institute that is perhaps just the conclusion we might come to, to have a commission to make inquiry in the various provinces. But before coming to a decision would it not be well to hear what the Mining Institute has to say? We do not know exactly what they want, except in a hazy way. If we heard their evidence and had an opportunity of examining them we might possibly come to the conclusion that the only thing to do would be to recommend parliament to appoint a Royal Commission to make full inquiry in different parts of the country.

Mr. JOHN HERRON.—I would like a little more information as to what this Mining Institute is composed of.

The CHAIRMAN.—Perhaps Mr. Brock, who is here, can give us some light.

Mr. R. W. BROCK.—The Canadian Mining Institute consists of mining men representing all parts of Canada. It has about 850 members. They are pretty well distributed over Canada, and I think probably the smallest representation is from the maritime provinces and Nova Scotia because they have there a flourishing mining institute. Still, Nova Scotia furnishes about 40 members. Alberta has a pretty fair representation. British Columbia has about 200 members and Ontario, of course, has the largest representation. Each one of the districts has its own local branch and questions of this kind are discussed by the local branches and recommendations are sent to the council of the Institute so that the Institute is able to get a pretty good idea regarding the general feeling of mining men throughout the country. I might say that this question of mining laws is one which has been discussed by the Canadian Mining Institute for a good many years so that the resolution which they passed represents no snap judgment but a gradually formed opinion.

The CHAIRMAN.—I know they have been discussing it for nearly ten years.

Mr. R. W. BROCK.—Practically since the Institute was founded. One of the reasons why they are asking for a commission or for some body of men to look into the question of mining laws is that the desire to get them on the most satisfactory basic principles. It is not so much a matter of details which of course would have to be settled according to the locality. But there are certain basic principles that are better than others, and it is to get at these and establish them for the Dominion and



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the provinces can follow them as far as they are suitable for their own individual needs. One of these basic principles for instance, is whether it is better to lease mineral lands or dispose of them outright. Another question is that which has come up this afternoon, whether the mineral rights could not be absolutely separated from the surface rights. In discussing this matter, it was the unanimous opinion of the Mining Institute that that distinction should be drawn, that one of the greatest handicaps to the development of the mining industry was the uncertainty as to where the rights lay and the uncertainty regarding the title. When you give away the mineral rights along with the surface rights in many cases it is absolutely impossible to get any clear title, and of course if you cannot get a clear title you cannot have the development of the industry. Just how that works out is exemplified by what Mr. Rowatt has said with regard to the amount of labour which is now necessary to discover whether a settler has a mining right or not. The Mining Institute say that if there was that absolute separation, if the disposal of the mining rights were in a department which has nothing to do with surface rights, there would be a clear cut line, and while it would not be retroactive it would operate for the future. Of course some mineral rights have been disposed of but if you made that distinction in the future for the greater part of Canada, this question would never come up. This was another reason why the Mining Institute wished to have this question investigated. As was pointed out, they did not know of the establishment of this committee when they passed that resolution. Therefore, they put it in the form of a resolution recommending the appointment of a Royal Commission. They wish to have these fundamental principles laid down so that they could apply to the future. Some of the troubles which they complain of are due of course to the fact that the mineral mining rights of the Dominion lands come under the regulations. As Mr. Congdon pointed out, these regulations are not as satisfactory as an Act of parliament. Mining men are all agreed, I think, that they would rather have bad laws than good regulations.

Mr. CONGDON.—Have them permanent.

Mr. BROCK.—They would know where they are at, as the expression goes, and when any change was contemplated in an Act the attention of mining men would be called to it and they would have an opportunity of bringing objections to it before the Act was passed. To give an example of one of the disabilities which mining men complain of, one of the members of the Institute was trying to get some mineral rights in the west which were supposed to be vested in the Crown and on which a royalty would have been payable. But he would also have had to make arrangements with settlers, and they also asked a royalty. He was willing to pay either the settler or the government, but he did not see why he should be held up for two royalties. There are questions like these which the Mining Institute could bring before you.

The CHAIRMAN.—Along the lines of the remarks just made, one of the difficulties and it is a very great difficulty, is this, that the mining prospector or the mine owner making an endeavour to secure capital to carry out a large enterprise meets with a great deal of difficulty. Under our law it is difficult to secure capital for the reason that when men who invest considerable blocks of money in such enterprises want to know what security they have for investment, when they put their solicitors to look into our mining laws, they find they are only regulations not made by parliament, not made by the representatives of the people in the sense that laws are made but are made simply by order in council which is subject to change. I know of many in my own personal knowledge who would otherwise have invested but who would not invest a dollar under these circumstances. It seems to me if it is possible for this committee to remove that difficulty it would be a good thing. If the committee are agreeable it would, I think, be well for us to ask certain members of the Mining Institute to attend our next meeting, and perhaps it would be an advantage to ask Mr. Clark, of Toronto, who is also a member of the Mining Institute. He has been connected with it I know, for fifteen years. I had myself a connection with it years

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ago. He is also a member of the Ontario Mining Institute which has done a good deal of work and has assisted in a great measure in framing the mining laws of that province. Perhaps Mr. Brock could suggest who would be the most practical man to give us the information.

Mr. BROCK.—I think that might be left to the president of the Institute. There is a sub-committee of the council of the Institute which deals with these matters, and it is very probable that he would request that committee to select representatives.

The CHAIRMAN.—How large is it?

Mr. BROCK.—Three or four members.

The CHAIRMAN.—Then you think a communication addressed to the president would bring here a fair representation from that body?

Mr. BROCK.—Yes, sir.

Mr. WM. CHISHOLM.—I move that the clerk of this committee communicate with the president of the Canadian Mining Institute and inform him that this committee would be pleased to have any representatives of the Canadian Mining Institute attend the committee at any time convenient to discuss the matters in the resolution.

The CHAIRMAN.—Would you add Mr. Clark?

Mr. CHISHOLM.—I do not think it would be necessary. The president and the secretary of the Institute would know who were the best men to send.

The CHAIRMAN.—Perhaps that would cover it then. Your intention is that a communication should be sent to the president asking him to send one or more representatives.

Mr. JOHN HERRON.—I would think there should be a limit.

The CHAIRMAN.—There is no danger of them sending too many. Is it your pleasure that this motion should pass?

Carried.

The CHAIRMAN.—What date shall we select for our next meeting?

Mr. WM. CHISHOLM.—You might leave it to the chair. In the meantime we might receive a communication from the Institute.

The committee adjourned to meet at the call of the chair.

THURSDAY, April 22, 1909.

The committee met at 10 o'clock, a.m.

The CHAIRMAN.—Some witnesses from outside points are present this morning and although we have not yet got a quorum I think we had better proceed. Mr. J. W. Tyrrell is here for one and we might hear him.

Mr. J. B. TYRRELL called.

*By the Chairman:*

Q. I might say, Mr. Tyrrell, that the object of the committee is to get information with respect to the present condition of mining affairs and the mining regulations and mining laws—to ascertain wherein these laws or regulations are in any way defective and in what regard you would suggest that the committee should make recommendations for their improvement. Perhaps it would be just as well if instead of

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proceeding in the form of question and answer that you should make a statement of your views—no doubt you have some views on the subject that will be of interest to the committee—and then it will be open for any member of the committee to ask such questions as he might think proper?—A. Well, Mr. Chairman and gentlemen, it might be as well for me to talk on some definite line or on some definite series of subjects and possibly you might indicate what point you want me to take up first. In regard to the scope of the Mining Department would you wish me to give my views on that?

The CHAIRMAN.—One of the subjects which the committee at its last meeting decided to get information on, and for that reason summoned the gentlemen who are present as witnesses this morning, was in respect of the present condition of the mining regulations as they affect Dominion jurisdiction in certain of the provinces in the Dominion has not control of granting the mining lands but they have in Manitoba, the Yukon and the Northwest. They also control certain other lands throughout all the provinces which are comprised under Indian reserves. There are regulations, as far as I understand, but there is no statutory law of the Dominion affecting mines except in the Yukon. If you have any views to express on this subject we would be very glad to hear them and receive what information you see fit to present to us.

Mr. MADDIN.—I was absent for two or three weeks from the city, and at the last meeting which I attended it was proposed to have before us all mining regulations and all orders in council that have been framed or passed.

The CHAIRMAN.—We have got all those documents here.

Mr. MADDIN.—They have been all brought before the committee?

The CHAIRMAN.—Yes, they are all here either in printed or typewritten form.

Mr. MADDIN.—I simply wanted to find out if such was the case. Then if the witness is familiar with these enactments he can discuss those that he may have knowledge of, the scope of their operation and to what extent their operations should be enlarged. That may help him in the starting point.

The CHAIRMAN.—That is the very subject I am inviting him to discuss. Here are the regulations if you wish to look at them (handing witness file of documents).

Mr. TYRRELL.—At the present time I am afraid I do not know exactly what the latest regulations are. On many of the points I would have to speak to a large extent of the regulations as I have encountered them from time to time in connection with my work throughout the country. I had not seen the exact text of the regulations as they stand at present until they were handed to me a few moments ago and not having been supplied with a copy in time to make myself thoroughly familiar with them as they now stand I am afraid I could hardly take the matter up in that way.

Mr. CONGDON.—Would you allow me to suggest that I think this investigation and the calling of witnesses was because the Mining Association had recommended the government to issue a Commission of Inquiry into the subject of mining in the Dominion, and this committee thought that by calling witnesses before it the material might be obtained just as well as by a commission. I understand that to be the object of summoning these witnesses. It is perfectly useless to expect witnesses to do more than make one or two general suggestions with regard to mining matters that they have not gone into themselves and compare the existing data. However, they can give the committee such information as would be procured by a commission such as suggested by the association.

The CHAIRMAN.—I think that is correct. But this gentleman has stated that he can discuss the operation of the regulations as he has observed in actual practice, the result in actual operation of our mining regulations and the granting of mining rights. Perhaps he would like to give us his experience in regard to these matters.



*By the Chairman:*

Q. Are you a mining engineer?—A. I am.

Q. Have you had practical experience in the field?—A. I was for seventeen years employed as a geologist on the Geological Survey of Canada, and for the last ten years, or somewhat more than ten years, I have been engaged in private practice as a mining engineer in different parts of Canada.

Q. Well now, if you will just give us your experience as you say you have encountered these regulations?—A. With regard to the question of the advisability of having definite fixed mining laws instead of mining regulations made by order in council I would like to put myself, and I think I can also put the Canadian Mining Institute, definitely on record in stating that the control of mining affairs by orders in council has been unsatisfactory. From time to time the prospectors or miners throughout the country find the laws under which they are working have been changed without their knowledge, in fact in such ways that it has been almost impossible for them to know of those changes. Changes may occur, as every one knows who is familiar with orders in council, from day to day, and without regard to any fixed times. A man might go into the woods prospecting with a definite set of orders in his mind, and he might come back in a few weeks and find that those orders in council had been changed and that he must do his locating over again. The very changeability, or the possibility of changeability of laws so made, gives a basis of uncertainty to all mining enterprises. The conditions under which miners are to take up mining land and to undertake mining enterprises should be just as stable as they can reasonably be made. A man takes up—

*By Mr. Congdon:*

Q. I think we are all agreed on that, but the statutory laws are not subject to constant changes?—A. If that is agreed on I need not say anything more on that point.

*By the Chairman:*

Q. To what extent, may I ask, can you give us cases in point where you encountered difficulty personally—for instance, do I understand you have, in addition to being a mining engineer, also been an explorer?—A. Yes, I have.

Q. Well now, as an explorer, in acquiring the claim of an explorer, what difficulty have you encountered under the present plan of obtaining mining rights?—A. Just at the present moment I do not know that I have any exact case sufficiently in my mind to detail it, but any one who has been in the Yukon, and the member for the Yukon will bear me out in this, knows of the uncertainty which constantly hung over the mining regulations there, how men often staked claims under what they supposed to be one set of laws, only to find that these laws had been materially changed. I do not think that any individual instance would strengthen that statement, for I am sure that hundreds of such instances can be looked up from the Yukon with very little trouble. The change of the length of the claims from 500 to 250 feet; the change of the width of the claims first from base to base, then to rim rock, then to the width of a thousand feet. First staking along the middle line of the valley, then on a fixed and arbitrary base line, &c., &c. All these changes were often quickly made and affected very materially the working of the mining laws, and they also very materially affected the obtaining of any capital to work mining properties in the country.

*By Mr. Congdon:*

Q. Perhaps you would not mind saying what principles you think should be adopted in regard to the character of the titles; have you any views on that?—A. With regard to the titles that should hold for the mining lands, I consider that they should be as fixed as they can possibly be after the person has definitely shown his



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intention to work his claim, with this proviso, that if the owner either individual or company has practically abandoned the mining land, then that land should go back to the government. This would be the general principle which I would enunciate that a long lease or a patent should be given which would be so arranged that if the ground were virtually abandoned the land would go back to the government, should be given.

Q. What do you mean by the word abandoned? Take a case of this kind, a man had a patent on a claim, and he had spent say \$25,000 or \$30,000 on it, if he stopped mining operations would you call that an abandoning of the mine?—A. No, I would not call that an abandonment, a mere stoppage of operations, because every man should be allowed to take the mineral from the ground in what he considers the best possible way. I do not believe that it is advisable to hound a man into extracting the mineral from the ground recklessly, because there is only a certain amount of mineral in the ground. I believe that he should be given a reasonable time, and should be allowed to choose the best methods for that extraction. Often it appears that the idea is rampant that the man should be forced to extract the minerals from the ground in the quickest possible time and way so that he could get out of the country.

*By Mr. Goodeve:*

Q. Might I be permitted to ask a question? As Mr. Congdon has said we are all agreed on that point, and what we are seeking is to obtain definite laws in regard to all those mining lands not under the control of the various provinces. Now what we want to get at is this, if you, in your very wide experience, have come across certain things either in the provincial laws, or in such laws as have been made from time to time in the Dominion that you consider not feasible, and we want to know if you have in your mind certain definite laws that you would recommend the committee to insert in the statute that they propose to recommend to the House. That is what we want to get from you men that have had long experience, we want any recommendations that will help us to attain that object.—A. I think that is the point I was endeavouring to make, that there should be a fixed title so that a man could go to a capitalist with it. But, in case of the virtual abandonment of that ground——

*By Mr. Stratton:*

Q. What would you call 'abandonment'?—A. I would call abandonment what one can see in many parts of Northern Ontario where mining was discontinued years ago, the owners of the mining rights have disappeared, and work cannot be resumed because a good title to the ground cannot now be obtained.

Q. But you have to define it, what is it? Is it in the removing of the machinery? what is it? If a man stays proceedings you cannot confiscate his property by saying he has abandoned it, you must have some reasonable definite point?—A. I understand thoroughly your question, and at the same time I am hardly prepared to make a statement offhand of exactly what I would mean by abandonment. I mean an apparent intention on the part of the parties owning to leave that land.

*By Mr. Congdon:*

Q. To be settled by the terms of the grant?—A. Yes, for instance——

*By Mr. Goodeve:*

Q. Put it the other way, what terms would you recommend the grant to be issued on, we will get at it that way?—A. Well, I am not a lawyer so that I would not care to make suggestions, I do not know whether the lawyers can draw up a patent in such a way that the land will revert to the Crown.

Hon. Mr. STRATTON.—They can if you give them the details.

A. Well, that is it.

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The CHAIRMAN.—Perhaps we may facilitate matters, if this gentleman has any other subject in his mind that he would like to mention to the committee we will be glad to hear it. But with regard to the subject that he has been discussing so far, perhaps it would be better dealt with if the gentleman would consent to make a memorandum, he has not had time to study the regulations and laws although he has had a very wide experience, and perhaps he will be kind enough to make a memorandum and hand it to the secretary of the committee at some future time.

Mr. MADDIN.—I think perhaps the best way in which we could deal with this matter would be to take the regulations and orders in council passed by the federal government and go through them section by section, approving of those that are all right and recommending the repeal of those that work hardship, supplementing by new legislation anything that seems practicable which is not already covered. If we do that now we will have the advantage of the assistance of those gentlemen who are here to aid us with their practical experience. I do not know that we can make much progress in discussing matters in a general way, but we have mining regulations and we can best deal with them by taking them up piecemeal in the way I have suggested.

Mr. CONGDON.—I think that is a good suggestion, but this is not the proper time to do that. What we want to get at just now is general principles which should govern.

The CHAIRMAN.—The hon. member has made a good suggestion, but this is a matter for the committee to take up later. What I understand is this, that there are a number of regulations by order in council, and that they have not worked well, that there are grievances which these mining men have experienced, and we desire to find out what those grievances are. After we have obtained what light we can in that way it will then be for the committee to take up these regulations and make up their mind definitely whether they will not substitute for those regulations a concrete law, a workable statute that will supplant the regulations altogether and do away with the methods of dealing with mining rights by means of orders in council. Perhaps it would be well at this stage, if the witness does not mind, just for a moment, if I read a passage from the declaration of principles of the North American Conservation Conference. Among the subjects that they deal with is that of minerals, and I understand this committee has been called into existence for similar purposes to that for which the conference was summoned. I have not with me the copy of the resolution which was passed by the Mining Institute, copies were sent to me and I have them somewhere, but I haven't them here this morning; I find that the secretary of the committee has not got them either, but I think they are, generally speaking, along the same lines as this article which I will read:

'We recognize the mineral resources as forming the chief basis of industrial progress, and regard their use and conservation as essential to the public welfare. The mineral fuels play an indispensable part in our modern civilization. We favour action on the part of each government looking towards reduction of the enormous waste in the exploitation of such fuels, and we direct attention to the necessity for an inventory thereon. Such fuels should hereafter be disposed of by lease under such restrictions or regulations as will prevent waste and monopolistic or speculative holding and supply the public at reasonable prices.

'We believe that the surface rights and underground mineral rights in lands should be separately dealt with so as to permit the surface of the land to be utilized to the fullest extent, while preserving government control over the minerals.'

This is the point that I think the Mining Association refer to in their resolution, and it was referred to by some members of this committee at the last meeting..

'Regulations should be adopted looking to the most economical production of coal and other mineral fuels and the prolongation of the supply to the utmost. We favour also the substitution of water-power for steam or other power produced by the consumption of fuel.

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'Great economy in the use of fuel has resulted in the past from the application of scientific inventions and the use of improvements in machinery, and further progress can be made in the same direction. We therefore recommend that all possible encouragement and assistance be given in the development and perfecting of means whereby waste in the consumption of fuel can be reduced.

'The loss of human life through preventable mining accidents in North America is excessive. Much needless suffering and bereavement results therefrom. Accompanying this loss there is a great destruction of valuable mineral property and enhancement of the cost of production. The best method of eliminating these known and admitted evils lies in the enactment and strict enforcement of regulations which will provide the greatest possible security for mine workers and mines. We therefore favour the scientific investigation of the whole subject of mine accidents by the governments participating in this conference, the interchange of information and experience and the enactment and enforcement of the best regulations that can be devised.

'Mineral fertilizers should not be monopolized by private interests, but should be so controlled by public authority as to prevent waste and to promote their production in such quantity and at such price as to make them readily available for use.'

I think that the reference that has been made to the committee covers pretty largely all that we are trying to discuss this morning, and I would like to ask this witness if that does not fairly cover the resolution which the Mining Institute passed? —A. Yes, these are excellent recommendations and every possible attention should be paid to them.

Q. May I ask if you will be kind enough to give us a memorandum on the points referred to, and to hand in the memorandum later to the secretary? A. Yes, if that is suitable. I would just like to read a little extract from an article that I wrote about a year or so ago on what I consider a mining code in Canada should do:

'A mining code should therefore encourage men to search for and find valuable minerals, should provide for the quick and easy acquisition of the mining property after minerals had been discovered on it, should protect the owners in the employment of any rational methods which they care to adopt in extracting the values from the ground, and should encourage them to become permanent residents of the country, and to use the riches extracted from the ground as far as possible for the country's development and for the furtherance of the growth of such other industries as it may be able to support.'

The CHAIRMAN.—We are all agreed upon that, I do not think there is any member of the committee but what thoroughly agrees in the views expressed there. But what we are trying to get at is how to bring that about and what machinery is necessary to accomplish it.

Mr. HERRON.—I think I noticed from the article read by yourself, Mr. Chairman, that one of the recommendations contained in that article is that the government should retain the land and lease it. Now that is one of the principal matters complained about, under the coal mining regulations at the present time, that while the government retains the possession of the land the prospector finds it impossible to get capital interested in the mining of coal, and therefore the whole of the mining of coal in the west at the present time is confined to a few of the companies who have a permanent claim on the land, or who have patents of it; they are the only ones that are working. There is nothing to encourage any other man to develop a coal mine, from the fact that they cannot get possession of the land. That experience is directly contrary to the recommendations you have read.

Mr. TURRIFF.—I would like just to make one statement if you will allow me, and that is that I feel very strongly on the point that the title in the surface should be separated from the title to the underground minerals. If the government wishes to



give a man the whole title to the ground from the surface down it should give it to him in two separate deeds or titles, one for the underground rights so that that could be kept absolutely separate and distinct. The mixing up of the title of the surface and the underground rights has always led to difficulties, and it has undoubtedly met with the holding back of a large amount of country from mineral development.

The CHAIRMAN.—I think the committee is pretty well seized of that point.

Mr. B. A. C. CRAIG called.

*By the Chairman:*

Q. Now, Mr. Craig, you have heard what has been stated by the last witness who addressed us and I might say that we will be pleased to hear from you any views you may have in your mind in reference to the subject under discussion and that you would like to convey to the committee?—A. Well, as Mr. Tyrrell has stated, we feel that orders in council are unsatisfactory and we want a federal Act that will cover the whole territory in the Dominion. The Dominion government has under its control greater areas of mineral lands than many of the countries that are producing enormous amounts of minerals, and yet we have no law at all covering it.

Q. Can you give me instances of grievances under the present regulations?—A. I myself last year—

*By Hon. Mr. Stratton:*

Q. It might be well if Mr. Craig would state what his experience is.—A. I have been interested in mines for the last sixteen years, and I have been operating in mining properties for that period.

*By Mr. Maddin:*

Q. Where?—A. In Ontario and Quebec; I have tried to operate out west, but I gave it up on account of the title; I have also operated in the States and I have had some little experience in Mexico, but not much.

*By the Chairman:*

Q. Can you give us a case in point where you have some knowledge of difficulty encountered personally in getting titles?—A. Yes, I went out west two years ago and looked over property there then, but I had—

*By Mr. Herron:*

Q. When you speak of 'West,' what province do you refer to?—A. It was in Keewatin, north of Manitoba; I intended taking it up for cement, but I found there were no regulations at all whereby I could take this property up, and after several proposals with the minister I eventually gave the whole matter up, and simply let what money I had spent on it go.

Q. Well now, can you give us another case?—A. Yes, I had another case where I found a very large deposit of quartz on Indian lands, that was in the province of Ontario, but being Indian lands it was controlled by the Dominion, and I found that there were no regulations under which I could satisfactorily take it up and that it would take so much time to get an order in council through that a man might as well go into something where he could get his title cleared up at once.

Q. Have you any other case you can quote us?—A. Those are my two experiences; I have most of the time fought shy of any lands owned by the Dominion, for that very reason that you always have to spend a long time before you can get a title.



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*By Mr. Smyth:*

Q. Did I understand you to say that was in Ontario?—A. Yes.

Q. You have reference to Indian lands, have you not?—A. Yes.

Q. I wanted to make it quite clear that you were speaking of Indian lands which are under the control of the Dominion, because you stated that they were in Ontario. —A. I can give another instance of difficulties experienced under these regulations by a friend of mine who has had a great deal of trouble in dealing with gas and oil. For instance, the regulations say that the minister may reserve for an applicant who has machinery on the ground 1,920 acres. In other words a man will not get a title unless he first has the machinery on the ground, instead of being able to send his money down and get his title on fulfilling certain conditions he has to go down to Ottawa and spend time in making special arrangements.

Q. Do you know of any case where there has been delay under the regulations in getting a title?—A. I know that Mr. Coste was delayed very considerably.

*By Mr. Herron:*

Q. I can supplement what the witness has said regarding this oil and gas and propositions of that kind. The regulations at the present time, I believe, call for a man having his machinery on the ground?—A. Yes, that is so.

Q. Well now, in the country where they are prospecting for oil, in that district in which I live, it will cost a great many thousand dollars, perhaps \$10,000 or \$15,000 to take the machinery over the first range of mountains to the field where the oil will be, and it is naturally a race as to who is going to be there first with the machinery and they do not know whether they will get title to the land or not; that does not seem fair. There ought to be some way of a man getting a title if he carries out certain conditions.

*By the Chairman:*

Q. You consider that a defect under the present regulations?—A. Not only that, but even after his machinery is on the ground—he has first to get his machinery on the ground, and then he has to come down and arrange for the land.

*By Mr. Herron:*

Q. And then there is often a dispute between applicants as to which of them was on the ground first with machinery. They have to get machinery on the ground which will cost them perhaps \$10,000 in the first place and a large sum to get it on the spot, and when they get it there it may be that they will find the land is taken up by somebody else.

*By the Chairman:*

Q. Is that about your experience?—A. That is just about the experience of another man I know of. Take that gas district, just to show you what a proper mines Act will do for the country—we have enormous deposits of gas out there; yet if you will go down to Canute and Iola, Kansas, as I have, you will see even British Columbia ores being taken down there to be smelted by the gas which is found there. If we had a proper mines Act I have no doubt that the mining industry of British Columbia would be greatly stimulated and that a huge smelting industry would spring up in the Northwest. This would mean a very valuable local market for the farmers of Alberta and would give a stimulus to trade throughout the Dominion. After agriculture, mining is the greatest and most important Canadian industry. Is it not entitled to something more than orders in council which frighten miners and mining capital away?

Q. Would you have any objection to hand the secretary of the committee, at some time at your convenience, a statement of your views for the benefit of the committee?—A. Yes, I will do so.

Dr. A. E. BARLOW called.

*By the Chairman:*

Q. Dr. Barlow are you a mining engineer?—A. Not a mining engineer, a mining geologist.

Q. What experience have you had in connection with mines?—A. Well, I was for over twenty-three years a geologist on the Geological Survey.

Q. In this country?—A. Yes, on the Canadian Geological Survey, and the last ten years was particularly given to the study of ore deposits, principally in Ontario, but also in British Columbia and Nova Scotia.

Q. Now, will you please state to the committee any views you might wish to convey as to the matters under consideration. You have heard the discussion this morning and know pretty well what we desire to get at, can you give us any information?—A. The whole aim of this agitation in the Canadian Mining Institute has reference to a Canadian mining law. We consider that any such laws that were made should recommend itself to the whole of Canada so that any mining legislation that Canada proposes to adopt should be very carefully studied before it is enacted. We felt that the mining industry has laboured under certain, sometimes, very serious disabilities, in that those regulations at present governing are simply orders in council which though very good as far as they go, are subject to change sometimes very frequently and rapidly, and that is one of the greatest defects. It is extremely difficult for any one interested in mining to keep themselves acquainted with the various changes in the mining regulations; you may be able to find mines and mineral locations, but the trouble is to hold them once you have them. I know in regard to the coal mining regulations they are now just about as stiff as they can be made and I do not think you are going to lease an acre of coal lands at any great distance from the railway track. We have really no knowledge of what our resources are except what we obtain by exploration, and under the present conditions explorers will not go any great distance from the railway so that we will not get much additional information as to what our actual resources are.

Q. Can you give any reason for that? Why should exploration cease?—A. Because it takes a long time to bring a coal area into a working colliery. In the first place, in order to have a real good colliery which will recommend itself to capitalists you require from four to six square miles of land, and you can understand that under the existing regulations to hold that area for any number of years will cost quite a substantial sum, and then you get only a lease. As it is very desirable that the title should always be kept clear, you would have to impose an acreage tax for a lease is not as much sought after as a patent. If you have a concrete proposition that you can bring to the capitalists and say: We have a patent with a clear title, which our laws recognize.

Q. At what distance from the lines of transportation or water communication would you recommend that the lease system should cease and the title in fee be dealt with? Where would you draw the line?—A. I would say about twenty miles, speaking roughly, or perhaps between twenty and thirty miles.

Q. Am I right in assuming that your reason for that is that you are of the opinion that unless the explorer will penetrate to the greater distance and make the discovery, that discoveries will not be made, is that the reason?—A. The discoveries will not be made.

Q. Then you think that the incentive to induce the explorers to undergo that hardship or to incur the expense, whatever term you like to use, is not sufficient under the present regulations?—A. I do not think it is.

Q. He cannot utilize it?—A. He cannot utilize it.

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Q. He cannot get any return for his labour and energies?—A. No, he cannot get any return for his labour and energies.

Q. May I ask you a question on this point, are you a member of the Canadian Mining Institute?—A. Yes, sir, I am one of the vice-presidents.

Q. Perhaps you would recognize this resolution, I would call your attention to section 2 and I would like to hear what you have to say in reference to it?—A. Well, I am heartily in accord with it, for I might say, that I was one of those who helped to draft that resolution.

Q. Will you read it?—A. (Reads).

‘That the Dominion government take early action to complete the organization of the Department of Mines by transferring to it the complete administration of all the mining lands, subject to its control.’

Q. What do you mean by that? Is not the Department of Mines at the present time in that position?—A. No, at the present time the Department of Mines is made up of the Geological Survey Branch and the Mines Branch.

Q. Yes, but that is quite a customary thing for a department to have different branches?—A. Yes, well——

Q. What is the objection to it, is it having the different branches?—A. Well, I do not wish to raise any objection here.

Q. I know, but that paragraph is inserted in the resolution and your Institute must have had some views on the subject. I am trying to find out what the grievances were, if you will be kind enough to tell the committee what caused the Institute to pass that resolution; what was in the mind of the drafter when that resolution was passed?

Mr. CRAIG.—I believe I had something to do with that and perhaps I can answer better than Dr. Barlow. There are sufficient matters in regard to mining involved in the administration of the Mines Department that should be dealt with by some one who, as you might put it, is ‘soaked’ in the subject, who has special knowledge of the subject. For that reason we want a Minister of Mines that knows something about mining, and who could handle mining matters as a mining man would expect them to be handled, that is a man with specialized knowledge.

Q. Is not that the case now? In what particular is not that the case now under the present practice?

Mr. CRAIG.—Well, under the practice the Minister of the Interior is not supposed to be a mining man or to know anything about it.

Q. Well, is it the Minister of the Interior that deals with it now?

Mr. CRAIG.—Yes.

Q. And not the Minister of Mines.

Mr. CRAIG.—Not so far as I have had any experience. What we feel is that the whole organization of the department should take in everything pertaining to mines, and then having officials there who are specializing in that particular industry, they should have mining engineers, and engineers who would go all over the Dominion and who are acquainted with the mining conditions in the different portions of the Dominion who could advise the department.

*By Hon. Mr. Templeman:*

Q. As a matter of fact, the administration of the mining laws, the passing of the orders in council, the passing of mining laws, the administration of mining in the Yukon, the placer mining, the coal mining in Alberta, is all within the Department of the Interior because it is connected with the lands which are administered by the Department of the Interior. That is the purpose of that resolution, it seems to me, that the Department of Mines is not fully constituted according to the views of the Mining Institute, because of the fact that the Department of the Interior deals practically with the question of the administration of mines.



Mr. CRAIG.—Yes, and that is one of the very essential things.

*By the Chairman:*

Q. Do you think it would work better in the interests of those engaged in mining enterprises if it was dealt with by one minister and not divided up under the supervision of two?

Mr. CRAIG.—All we want to have is one minister only.

*By Mr. Smyth:*

Q. Do you think it could not be dealt with by a deputy minister who would be specialized in mining and who would know all about mining?

*By Mr. Maddin:*

Q. Is it not the object of the resolution to have the Department of the Interior divided so as to separate the mineral from the surface rights and to have a head of the department who would deal solely with the subject of mining as an especial matter separated from surface rights?—A. That is, of course, what we are urging, that the surface rights be separated from the mining rights, and that the surface rights be left with the Department of the Interior as at present, but that the mining rights be dealt with by the Mines Department.

The CHAIRMAN.—And there is no objection to the Mining Department being a branch of the Interior Department?

Mr. GORDON (Nipissing).—In my opinion that will only leave room for friction. It seems to me that the surface rights as well as the mining rights should come under the Minister of Mines, otherwise there is going to be a conflict of interest. I think you will find that the proper way is to let the Minister of Mines have jurisdiction over the land, surface rights as well as the minerals. It should be one department with a Minister of Mines at the head having deputies under him to look after these different departments, and I think that is what the resolution of the Mining Institute is aiming at.

Mr. CONGDON.—I should think the thing is simplicity itself, it has worked out in every province of the country. You have in the Interior Department the control of the land so far as they are for agricultural or any other purpose of that kind; you have in another department the control of the minerals and I see no difficulty whatever in working it out. There is always some difficulty when you come to minerals, you have to go to the land department and get so much of the surface as is essential to work the mine, but the inconsistency is that the theoretical part only is with the Minister of Mines and the practical part is under the Minister of the Interior, and you cannot get theoretical results that are worth anything except from the department that is founded on practical work.

Q. I would like to ask Dr. Barlow a question and I will put it this way in order to get a clear answer: I interpret this resolution which your institute passed, a copy of which I have in my hand and to which I call your attention, upon that point to mean that it was the object of the institute in passing the resolution to convey this view to the minister that in constituting the Department of Mines, as it is put here, 'that the Dominion government take early action to complete the organization of the Department of Mines by transferring to it the complete administration of all the mining lands subject to its control.' I assume that what they meant by that was the mining interests, whatever they are?—A. The mines.

Q. And I assume that the object was to have all these matters dealt with by a minister who was responsible to the government of the day, and through the government to the people of the country for the administration of mining affairs, and who is naturally supposed to be in sympathy with the industry of which he is the head.



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in the same manner as the Minister of Agriculture is in more or less sympathy with agriculturists and the Minister of Trade and Commerce is in sympathy with the commercial interests of the country. Perhaps you will tell me whether that was or was not the view of the institute in passing this resolution?—A. That was really it, they thought that it would receive more careful and more intelligent consideration in matters pertaining to mining and mining laws.

Mr. GOODEVE.—As I understand that it is this way, that under the mining laws, as they exist now, or as they may be formulated, they may discover certain mineral, either gas, coal or ore, and regulations are laid down under which that claim can be staked. The man stakes his claim, and he suddenly finds, as Mr. Craig did, that he is up against it in the Lands Department, because he cannot get his surface rights necessary in order to work the mineral that he may have staked under the mining law. If I understand that resolution to mean anything it can only mean one thing and that is what we all desire, that just as soon as a claim is discovered, and the claim is made for that mineral by the prospector, that the surface rights pass from the control of the Interior Department to the Mines Department, so that the regulations will work one with the other, otherwise you have just exactly the condition that Mr. Craig has spoken of that after he has discovered gas, oil or coal he has complied with the law in so far as the mineral regulations are concerned, but he cannot get the surface rights to work the mineral. If you are to do anything we have to make it clear on that particular point, that just as soon as the discovery is made and the claim is made for the mineral that not only the mineral, but the land itself shall pass to the control of the Mines Department.

The CHAIRMAN.—That is a matter for the committee to work out when they come to deal with the Bill itself, but we are not dealing with that this morning. We have first to discover from these gentlemen the views they have, and then we can work out the details later.

Mr. CONGDON.—There is nothing better defined in the English law than the distinction between the surface rights and the mines. The surface rights belong to the Interior Department no matter what happens and the mines belong to the Department of Mines, or should belong there. The only difficulty is to provide a mode by which the mine owner can get from the Interior Department so much of the surface as is necessary to work the mines and leave the rest of the surface absolutely under the control of the Interior Department.

The CHAIRMAN.—That matter has been worked out satisfactorily in France, in Italy, in Sweden and in other countries. The laws of those countries, as I recollect them, provide machinery which can, with some changes be adapted to our circumstances here. If no member of the committee has any further questions to ask Dr. Barlow we will call on Mr. Clark. Or has Dr. Barlow anything further that he would wish to convey to the committee?—A. No, all that we are anxious to have done is set forth in the resolution which was made as brief as possible, and couched in as simple language as possible. The chief thing required is the substitution of mining laws for orders in council, the transfer of Dominion mining lands from the Department of the Interior to the Department of Mines, where they could be dealt with by a special Mining Lands Branch of the Department of Mines and not by the existing Mines Branch or Geological Survey Branch.

Mr. TYRRELL.—As one of those instrumental in drawing up that resolution perhaps I may be allowed to say a word with regard to it. I know that our intention at the time and our idea was to ask that all surface rights be separated from the mining rights beneath, and that the mining rights be put under the charge of the Minister of Mines exclusively and it would necessitate, of course, calling on the Minister of the Interior for so much of the surface rights as would be necessary to work the mines.

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The CHAIRMAN.—That is a matter of detail.

Dr. BARLOW.—That was our idea exclusively.

Witness retired.

Mr. J. M. CLARK, K.C., Toronto, called.

*By the Chairman:*

Q. Perhaps Mr. Clark will be good enough to tell us whether he is a mining engineer or expert?—A. No, I belong to the class that they call mining lawyers, I am not an engineer, although I have examined a good many engineers, and I have had a good deal to do with questions of mining law. I do not want to say that I am an expert on engineering.

*By Mr. Smyth:*

Q. Are you a lawyer and a joint author of a book on mining law?—A. Yes, in connection with the book called 'The Law of Mines in Canada,' that Mr. Smyth refers to I had occasion some years ago to endeavour to find out what the regulations were here, and we made a compilation (corresponding to what Mr. Rowatt has made, and which is now before the committee), which brought the laws down to the date at which our book was compiled. There have been a great many changes since, but the book contains all the regulations which were gathered together up to that time. In connection with your work I have one or two things to say and those are these: First, in the preparation of a mining Act, upon which apparently the committee have decided, would you permit me to suggest that not only the present regulations and the present Act relating to the Yukon should be considered by your committee, but also the laws in the various provinces under which mining has taken place and the experience under those laws, and not only that but it seems to me that very valuable information can be got by your committee from the experience in the Western States where mining has been very successfully carried on, and where the problems referred to by Mr. Congdon and several members of your committee have been successfully solved. Without taking up the time by going into that matter in detail, I might say that you will find of very great assistance the decisions of Mr. Justice Field of the Supreme Court of the United States, who was the leading mining lawyer in the Western States and who had a good deal to do with the framing of their mining laws there. The Supreme Court of the United States was enlarged so as to include a man in it who was familiar with the mining law, and most of the decisions in the great mining cases which went to the Supreme Court of the United States were delivered by Mr. Justice Field.

*By the Chairman:*

Q. He was appointed to fill the position?—A. On account of his knowledge of mining law. I would refer your committee to his definition of the meaning of 'discovery,' which is, of course, the foundation of all mining law. He defined a discovery to be—and it is a definition which I think cannot be improved on—as one which a prospector would bona fide spend his own time or money in developing. I am giving that not as my own, but Mr. Justice Field's, and call your attention to the great wealth of experience that was behind that definition and my study of the laws of the provinces of the Dominion and of your regulations would lead me to conclude that it will be impossible for your committee to improve on that definition of 'discovery.' I may also—

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*By Mr. Congdon:*

Q. How would you determine that?—A. That would be determined not by any inspection settling that but, as Mr. Justice Field points out, by the discovery being followed by active steps which are to be defined in the way of working conditions.

Q. You are not in favour of inspection?—A. No, my idea is that in practice the prospector is more apt to know what is a good discovery than any government inspector, and I think that the method of inspection by a government official I think that all mining men agree with me in that although I am only speaking from what they say in that respect—has been found unsatisfactory and is applied now in Ontario to a very limited area, it is practically abandoned as to the whole province, and there the inspection after all is limited.

Q. The meaning is that a man has discovered something he is willing to spend time and money on?—A. Yes, and the public practically by requiring expenditures to follow the discovery of the work, which should be absolutely defined, so that the prospector and the investor would know exactly what they had to face and exactly what their rights and liabilities would be.

*By the Chairman:*

Q. What have you to say from your experience as to the form of title, whether leasehold, freehold, or some other plan of vesting the miner with the right to mine?—A. As a lawyer I can say without any hesitation that under conditions that are suggested by what you have read you could be fully protected even in granting fee simple by inserting these conditions, but the radical difference between granting a freehold under those conditions and the granting of a lease would be that in the one case the government would have to act to divest the freehold, and in the other case the miner has to assume his own rights as against the government. It makes simply the difference between the government being the defendant in the one case, and the plaintiff in the other; but the conditions preserving the public interest can be as well protected I think in a properly drawn patent as they can under a lease, and the essential thing in my opinion is, whether you have a patent or a lease, that the conditions should be absolutely and definitely fixed so that all parties concerned shall have absolute certainty.

Q. The patent is more acceptable to capitalists you think?—A. You will find it very difficult to get capital to invest unless there is the fee simple, the grant in fee simple to the miner.

*By Mr. Congdon:*

Q. By 'fee simple' you do not quite mean that, but the full grant of the mining rights?—A. Yes, mines may be granted in fee simple.

Q. But not the surface rights?—A. No, the surface of course is immaterial except the rights to so much as may be required for mining purposes. I mean the grant of the mine is in fee simple, and as Mr. Congdon has pointed out according to the English law, which is in force here except in the province of Quebec, the rights in respect of mines are defined by a series of English decisions, including a number of decisions by the House of Lords, so that all these questions I think have really been determined, and the only thing for the committee to do in that respect is to take advantage of the information that has accumulated by the experience in England, in the various provinces, and in the United States.

*By the Chairman:*

Q. As a lawyer do you see any difficulty in framing a provision, by which the surface and underground mineral rights might be separated the one from the other under conditions which would give the miner or prospector, the discoverer, the right to a patent for sufficient land for the operation of the mine by paying a reasonable



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compensation for the right to the surface only?—A. There is no difficulty, and the best answer is that it has been done. The tin mines and the lead mines of England have been worked for hundreds of years under such conditions where the rights of the miner and the surface owner were well defined according to custom, and I may say that for many years that was defined by customs which were supposed to be known in what was called the 'Barmote.' However, in recent years the method that has been suggested by the committee was adopted in England and all those rights of the miner and surface owner have within comparatively few years been embodied in the English statutes which there was no difficulty in framing separating them according to the needs of the locality there. I can answer directly that there is no legal difficulty in carrying that out, but of course the statute has to be properly drafted.

Q. From your experience in mining matters, I happen to know you have had a good deal of experience, do you think it advisable, and in the public interests, that the surface and mining rights should be separated and should be dealt with by separate and distinct patents, and not in one patent?—A. I think if you consider the development of the mining industry, which I regard as extremely important, it can be better carried out in that way, and I think when the matter is carefully examined, as your committee are proceeding to do, it will be found there is very little real conflict of interest, and any possibility of conflict can be avoided by a study of the results of the experience in the United States, here, and in England where the same problems have been solved to the satisfaction of all concerned.

*By Mr. Congdon:*

Q. What do you think of the value of an intermediate title, that is a title that will be of value to the prospector? In Nova Scotia they used to have a license to search for coal under which one could take five square miles, giving the right within a certain period to prospect on that, and to select a square mile on which to mine. What do you think of some way under which a prospector could obtain a license covering a larger area than he could get land?—A. My idea is to keep the area open until discovery is made. I am not in favour of tying up land in favour of one party; I think that before a man can tie up land he should make discovery

*By the Chairman:*

Q. I want to ask Mr. Barlow a question on that point. I understood him to say that there are some inconveniences caused by regulations of that character in Alberta and Saskatchewan.

Mr. BARLOW.—With reference to title in unsurveyed lands under the existing coal mining regulations you have to apply by township and range and section. In unsurveyed lands it is impossible to do that. You have really to get an order in council, a permit from the minister, you have to get government permission.

Q. Have you personal experience of any difficulty, or do you know of any case?

Mr. BARLOW.—Well, there is the case even now in the unsurveyed territory south of the railway—

Q. South of what railway?

Mr. BARLOW.—Canadian Pacific Railway.

Q. In what province?

Mr. BARLOW.—In Alberta, where they are actually paying for the land before they can get the land because it is not surveyed and they do not know actually where that land is. But under the regulations they have to pay for the lease and they cannot get the land, the work of survey is so difficult there that it sometimes takes more than a year to make them.

*By Mr. Turriff:*

Q. I would like to ask whether under the Ontario Mining Law at the present time the surface rights do not go with the mineral.



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Mr. CLARK.—The surface goes under the patent except where it is specially reserved, and in certain townships under the grants to the settler the minerals go with the surface.

*By Mr. Congdon:*

Q. That is like the California law?—A. Yes.

The CHAIRMAN.—I think there is in the Ontario statutes a provision by which the explorer can acquire mining rights even where the patent had gone in the ordinary course under certain conditions.

*By Mr. Smyth:*

Q. Mr. Clark is familiar with the mining laws of Ontario and also with regard to the matter spoken of a little while ago of dividing the mining lands from the agricultural lands as regards the department. Now he is, of course, well aware that in Ontario the Minister of Lands and Mines has two deputies under him, one of whom has jurisdiction over the lands and the other has jurisdiction over the mining lands, and he might give us the experience, from knowledge, how that works out in Ontario?—A. I might say that in Ontario they have a deputy minister who deals with lands, who is a great expert on all questions arising out of timber, Mr. Aubrey White; and they have separately from him a Deputy Minister of Mines, Mr. T. W. Gibson, who has made a very careful study of the whole mining problem, and the experience there has been that it is of great advantage to have a separate deputy who is in sympathy with the mining men and who to a large extent has the means of acquiring a knowledge of their requirements and one who is constantly, as Mr. Gibson is, dealing with the mining community.

*By the Chairman:*

Q. Then your view is that under that regulation and with that plan it has worked well?—A. It has worked well to have it separated, yes; that is one man cannot be familiar with both in the nature of things.

Q. I will put the question this way: Would you say that it has worked better by having two deputies under one minister than to have two deputies under separate ministers?—A. They have never had such a division of the department, there has been no experience there with two ministers, but formerly it was all under one deputy, both lands and mines.

Q. Pardon me, they did have that experience. Formerly the Minister of Crown lands dealt with the Crown lands while the Commissioner of Public Works, as he was then called, dealt with the mines.—A. That was before my time.

Q. That was some years ago, of course?—A. I have had no experience about that.

*By Mr. Congdon:*

Q. With reference to possible conflicts of titles between different minerals, it is a very common thing to find gold, silver and copper in the same grant, that was in the Yukon; for instance you might have a placer grant for the same ground as a quartz grant was made. Have you thought out the desirability of giving all mining rights in one title, or of keeping them separate?—A. Of course they can be kept separate as they are in the lead mine districts in England where only the lead goes with one grant. In my idea it is better to let one man, if he has found mineral, have all the minerals.

Mr. CRAIG.—That was dealt with satisfactorily under the United States Act, as between placer claims and lode claims.

*By Mr. Congdon:*

Q. You might have a half a dozen mining rights for the same land?

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Mr. CLARK.—It is quite feasible to define that, but it will have to be done with great care, but I should say that where a man has found any valuable mineral it is more in the interests of the development of mining to give him all the minerals.

Witness retired.

Mr. R. W. BROCK called.

*By the Chairman:*

Q. You might tell the committee what your position is?—A. I am director of the Geological Survey. I have had a varied experience in connection with mining in British Columbia, having done a good deal of work for the last twelve or thirteen years in the mining camps of British Columbia, and having associated with mining men I have become familiar with the conditions under which they work, and with the character of the laws they would like to work under. There are one or two points in connection with the leasing which I do not think were mentioned, and to which I would like to refer. While it is quite true that in the Northwest provinces there is some complaint made by mining men in connection with the leasing system, I do not think it is so much against leasing as a system as against particular regulations governing leases in the Northwest provinces. In Nova Scotia, for example, both the coal mining and lode mining are carried on under a system of leasing, but the conditions there are such that the title is, I think, quite as good as a freehold title. Properties are held there and I think they are sold quite as readily as if they were freehold. As long as the conditions for leasing are such that a person has absolute possession of the property, then he has all he requires for practical purposes.

*By Mr. Congdon:*

Q. That is not quite true, because when the Dominion Coal Company were getting incorporation the Nova Scotia legislature had to pass a special Act with reference to their title.—A. That was, of course, a matter of detail as to the length of time and the conditions under which the lease should be made. In the Australian provinces, they also have a system of leasing. I was talking to Mr. Marriott, one of the visiting British engineers last year, he is the mining expert of the Werner-Beit Company, which is one of the largest mine operating firms, and he has had a large experience in all parts of the world, and I asked him, from his experience of the different mining laws, which system he considered the most satisfactory. He expressed the opinion that under proper provisions he thought the best system was the leasing system, for the reason that when the miner is through with his lease, automatically the property returns to the government, so that the title was always perfectly clear.

*By the Chairman:*

Q. Might I ask, did it occur to you at all, that that gentleman being the representative of a very wealthy corporation it would naturally be to their interest to have just such a system, and that while they might view it with favour it would be viewed quite differently by men of less means?—A. I mentioned that to show that capital is not necessarily opposed to leasing. It seems to me that the lease can provide for the man of less means, that would be merely a matter of provision. I do certainly think that the man who discovers a property should have it, and he should have it just as long as is necessary for him to properly develop it or to dispose of it.

*By Mr. Turriff:*

Q. But, Mr. Brock, would not that practically mean a perpetual title?—A. Yes. I think it ought to be perpetual in this sense, that a man or company should be able to hold it just as long as he or they may want it.

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Q. If he decided later on to drop it it would be because it was absolutely of no value, and if that were the case it would be practically of no value for the government to have it back. Would it not be more satisfactory to make it a fee simple in the first place?—A. No, for this reason that it does not mean that it is of no value at all, it only means that it is not considered valuable at the present time.

Q. For that purpose?—A. At the present time, but you cannot tell, twenty years hence that property may be very valuable. This has happened sometimes in Ontario. In Eastern Ontario where the mining rights have been disposed of sometimes with the surface rights, or if the mining rights alone have been disposed of some neighbouring farmer will pay the taxes on that property for the sake of holding it for grazing purposes or something of that kind, but the man who had the mining rights has disappeared absolutely. Now that property is made valuable because, we will say, it has been discovered that corundum is there, but when it was taken up originally corundum was not known. But if a person wants to get it for the development of the corundum now, they cannot do so, because they do not know who owns the mining rights, and no person will spend his money on the development of a property unless he knows he is going to have it when he has developed it. But he will not develop it if there is a possibility of some person coming in and taking it from him.

*By the Chairman:*

Q. Would you not consider that a very rare case, where a man could not be found, or his legal assigns or heirs? That may possibly have occurred, but it is rather an exceptional case I think?—A. No, I do not think it is exceptional. That has happened and it does happen quite frequently. Of course sometimes the man could be found if a person took the trouble to search diligently for him, but generally when it is found that the mineral rights have been disposed of the prospector drops the property, does not go any further with it. It frequently happens that land is taken up for one mineral that does not develop well, and all interest is lost in it by the owner, but later, perhaps some years later, some one finds another valuable mineral in the district, which makes the old ground valuable for prospecting. I could mention numerous instances.

Q. Is there not a great danger from this point of view—a man makes a discovery and he expends what means he has, it may be only a few hundred dollars or it may be quite a few thousand dollars, and he finds himself unable to go on at that particular time or to interest capital to assist him, and he has to turn his attention to something else. In the meantime illness overtakes him or some misfortune, do you think it would be a very great hardship to confiscate that man's property?—A. I think it would, sir. I think a person ought to have the property as long as he really wants it.

Q. Are there any complaints in your department regarding the coal mining regulations in Alberta, and do you think that the system of lease there at the present time has given satisfaction from your point of view?—A. I would rather not answer that question. I think there may be some hardships in connection with it; there are cases that have come under my notice. I sometimes have correspondence with men that are operating there and they would like to deal with some person that is familiar practically with the coal mining conditions—they sometimes write in and ask us to explain conditions to the department that is charged with the administration of the law.

Hon. Mr. TEMPLEMAN.—You understand that is not in Mr. Brock's department.

A. With regard to the surface rights and the mining rights, I do not think there is any trouble in keeping them separate, it is merely a case of providing the machinery for determining the amount of compensation that the owner of the surface rights should have for the small amount of land required to operate the property.

Hon. Mr. TEMPLEMAN.—They are separate in British Columbia.



*By Mr. Congdon:*

Q. There might be a reservation in the title not merely of the mineral rights but of so much of the surface rights as are required for mining purposes?—A. The free entrance to the property and so much of the surface as may be necessary for the proper working be reserved, and then there should be machinery to determine how much is necessary and what price should be paid.

*By the Chairman:*

Q. That will only affect the land already alienated from the Crown, but take the case of 95 per cent of the mining area which is still under the control of the Dominion and has not yet been granted at all. In that connection should there not be a separation in the granting of patents between the surface and the mineral rights?—A. That is my opinion.

*By Mr. Turriff:*

Q. Do you consider that the regulations for leasing the coal lands are more satisfactory than selling the coal lands?—A. Well, I think it is a matter of the conditions under which it is done. I think that the miners would be glad if they could get a freehold in the Northwest provinces. I think they would prefer that to the present regulations regarding leasing.

*By the Chairman:*

Q. Which do you think, in the public interest, apart from the desire of the miner, is the best way to protect the public interest?—A. Well, I think myself if the conditions are made sufficiently favourable, and sufficiently easy, and they properly provide against these cases of hardship which might arise, that a system of leasing is better because automatically the rights come back to the government when the mine is abandoned.

Q. I think you heard the remarks of Dr. Barlow here this morning in which he stated that in his opinion, if I understood him correctly, there should be a dividing line; that at a distance of 20 or 30 miles from the lines of railway or from water communication if the leasing system prevails as at present there will be no incentive for the explorer to make discovery, and development will be retarded on that account, that it would be better beyond such distance to deal with the discoveries in the meantime by patent, fee simple, and that within that area of 20 miles from the railway it should be dealt with by lease. That has, in some sense, been done in Ontario; but in Ontario they adopted this principle, that within four miles they charge a certain sum, and within eight, or six miles, I am not sure which, they charge a less sum. The higher sum is charged within the first four-mile belt, and in the next belt they charge a less sum, and in the third belt, extending twelve miles back, they charge a smaller sum still; of course there was a minimum charge throughout the province. What would you suggest, anything of that kind?

Dr. BARLOW.—As a matter of fact in that connection I was not in favour of leases at all, because it is not the public who develop that country, it is the man who goes there to explore who develops it.

*By the Chairman:*

Q. From your standpoint it should be dealt with by fee simple and not by lease?

Dr. BARLOW.—With conditions that were not too onerous as to work, and then make provision by an acreage tax so that if they did not go ahead, and they did not pay to the government this acreage tax, after a certain time for development it should go back to the Crown automatically. You want to attract capital, but you can never attract European capital by leases, they have them all over Europe and they are afraid of them.



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*By Mr. Rhodes:*

**Q.** Wherein do you differ really from Mr. Brock? You say that the land should be given in fee simple, but with certain conditions which if not complied with the land should go back to the Crown; what is the difference between that and a lease?

**Dr. BARLOW.**—I wanted to make it plain that I was not in favour of leasing.

**Mr. CONGDON.**—In the United States where we get a good deal of our capital they have these patents, which they understand, they have not the leases and they do not understand them, but they do understand the patents. I agree that there is not much difference between them in reality.

**Mr. J. M. CLARK.**—In the one case the government would have to act and in the other case the individual would have to take action if he thinks his land is wrongly taken away from him. If you have it automatic in the case of a lease you cannot absolutely provide for any hardship, whereas in the other case it is optional with the government whether they will enforce the forfeiture or not.

**Mr. RHODES.**—Of course your automatic provision is open to reproach. I know in Nova Scotia when a lease expires it is open to the governor in council to look into the merits of a case, and if he thinks that it is not right for the party to have it then it goes back to the company that originally held it. As a matter of fact they have had to introduce special legislation to enable mining companies to hold their properties which had been gobbled up by individuals.

**The CHAIRMAN.**—There is this difference too, that in very many cases it is necessary to bond the property or to raise capital by selling preferred stock which is almost in the nature of a bond, and under a patent there is a definite assurance of title for the investor, while under the lease there is room for unfair dealing in the management of the mine. Supposing there are a dozen shareholders interested in the mine, and it is managed by a certain number of that body elected in the ordinary way, and they choose to be dishonest; they might let the lease lapse.

**Mr. SMYTH.**—I do not think the miner is dishonest.

**The CHAIRMAN.**—Nor do I think so, but I am putting it as a possibility, and, of course, a very remote possibility, but I think I know of cases where there have been grievances of that character. I think that is the question whether a title in fee simple is not more acceptable security for the investment of capital than leasehold. Have you ever thought of it in that way?—**A.** Yes, I have, but I think that with the suggestion of Dr. Barlow it amounts to almost the same thing, and I think if the title is granted in fee simple there should be that acreage tax because then of course the non-payment of the tax will bring it back to the Crown. In the case of leasing a prospector always knows who owns an abandoned property and the terms on which he may acquire it.

**Mr. RHODES.**—I may say that I have had some little experience in connection with mines in Nova Scotia, and with the possible exception of the case of the Dominion Coal Company, referred to by Mr. Congdon where by special legislation the lease was made for 99 years, all the other mines are held under twenty years' lease, renewable. They issue bonds and it does not seem to interfere with the value of their bonds at all. The companies all have leases for twenty years and they have the right to apply within a certain period of the expiration of the twenty years for a renewal so that it is practically perpetual.

**The CHAIRMAN.**—I know the law in Nova Scotia in a practical way, and I do know of investors that will not, under any inducement, invest their money upon property held under a title of that character.

**Mr. RHODES.**—They get their money pretty freely there.

**The CHAIRMAN.**—That may be, I do not know about that, but let me ask you a question, although it is perhaps hardly germane to the subject under consideration.

But Nova Scotia has some large smelting furnaces for the manufacture of iron and steel, but Nova Scotia, as I am informed does not produce the ore, the raw material from which that manufacture takes place.

Mr. RHODES.—In one particular instance they do not, but there is iron ore in abundance in Nova Scotia and it is used, a large percentage of native ore is used there.

The CHAIRMAN.—To what extent?

Mr. RHODES.—I cannot give you the amount, but the Drummond works use it and also the Nova Scotia Steel, and the Dominion Iron and Steel, but they are using rather a small quantity of it.

The CHAIRMAN.—They may be doing so within the last few years.

Mr. RHODES.—I could not tell you what percentage.

Mr. HERRON.—Could not a coal mine be conveyed to the prospector or the company in fee simple and then continue on by regulation, or perhaps it could be inserted in the original deed, that a man would pay a graded rental and have that rental on a sliding scale as mentioned by some of the witnesses say within a radius of four miles from a railway? The great trouble in connection with operating a coal mine is that until you get a railway actually to its mouth, the mine is only a prospect up to that stage. Before you get the mine into an operating state it will require the expenditure of thousands of dollars, perhaps half a million or more. We must arrive at some regulation, in my opinion, by which we can introduce capital and by means of which that capital will have some permanent hold on the property before so large an amount of money can be invested. Otherwise you will never develop a coal mine. Several suggestions have been made whereby the land could be conveyed in fee simple or at some nominal price to the operator and then a graded rental, or something of that kind, could be paid until such time as a railway was built to the mine when it would become an operating mine and then the government would have the royalty to fall back upon. Could we not adopt some plan of that kind?

The CHAIRMAN.—I think we have a very good opportunity to protect the public interest in regard to coal mining because there has not been very much coal land up to the present alienated from the Crown. In Pennsylvania, if my information is correct, so far practically as the mining is concerned the railways control the whole situation.

Mr. RHODES.—So far as the public is concerned.

The CHAIRMAN.—So far as the public is concerned too. I am told, and I have very good authority for the statement, that you may buy the very best of coal lands at a pretty low figure but you cannot make any use of them under the laws and under the conditions which exist there. It is practically determined by the railway company whether that property be worked or not. I hope we will be able to steer clear of that difficulty in Canada.

Mr. RHODES.—That difficulty was brought about in the United States by getting the coal lands in fee simple. A number of the gentlemen examined this morning spoke of giving these lands in fee simple. I think that is of very little use at all.

The CHAIRMAN.—The trouble is not to get hold of the coal lands. For instance, I have information that you could buy the best coal lands for about \$200 an acre. Now, if that is the case there is no difficulty in obtaining the land, the difficulty is to get the coal to the market. In this country we are retaining control of transportation through the Railway Commission. I think that is one thing this committee could very well take up when we come to deal with this subject, and recommend that such control be vested in the board as will make it certain that the very great monopoly evil which exists in the neighbouring country shall not obtain a footing in Canada.

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Mr. TURRIFF.—I might say, Mr. Chairman, that the Railway Commission is regulating the freight on coal. In my constituency we have what is known as the Souris coal fields. It is a lignite but is quite a good quality of coal and supplies the settlers in Southern Saskatchewan and Manitoba. About 200,000 tons are mined in one mine annually. A complaint was forwarded to the Railway Commission from a little town in my constituency that the railway was charging as much for a draw of 30 miles as they were charging in other places for a haul of 100 or 130 miles. The Commission dealt with the subject in February last and reduced the freight rates. So they are, you see, at the present time regulating freight rates. They made the railway company put a rate on coal and graded it so that places where there is a short haul pay less than places where there is a long haul.

The CHAIRMAN.—I am very glad to hear that. I was not aware that the Commission had taken that action in February. My opinion was that if the Commission had not that power they should be vested with it.

Mr. TURRIFF.—They have got the power and are exercising it.

The CHAIRMAN.—I called attention to it because it is pretty much the whole question so far as coal and iron are concerned.

Mr. TURRIFF.—In Mr. Herron's part of the country it is largely a question of freight rates to obtain the use of the market for that coal.

The CHAIRMAN.—Is there anything else we need to take up?

Mr. RHODES.—What are you going to take up at the next meeting of the committee? Are any witnesses summoned for the next meeting?

The CHAIRMAN.—That is a thing we should settle now.

Mr. RHODES.—Mr. Maddin was speaking to me and he told me that he had a suggestion that the committee take up the existing mining regulations section by section with a view to their being made uniform throughout the Dominion. I bring up the suggestion in his absence and give it my own personal endorsement.

The CHAIRMAN.—Do you make a motion to that effect?

Mr. RHODES.—I make the motion that we consider at our next meeting the existing mining regulations section by section.

The CHAIRMAN.—It is moved by Mr. Rhodes that at the next meeting the committee take up the mining regulations, and the mining law affecting the Yukon, and consider them section by section with a view to reporting to the House as to the advisability of making such changes as are necessary or of drafting a Mining Act.

Mr. RHODES.—A uniform Mining Act.

The CHAIRMAN.—With a view to obtaining uniformity as far as may be possible to do so.

Motion agreed to.

The committee adjourned to meet at the call of the chair.



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MONDAY, May 17, 1909.

The committee met at 4 o'clock p.m.

The CHAIRMAN.—There is a communication here from Mr. J. B. Tyrrell, perhaps it will be just as well to have it read.

Mr. HERRON.—It is, I suppose, in line with what he gave to the committee when he was here, and perhaps it will answer the purpose if we place it on record without reading. (See page 65.)

The CHAIRMAN.—Very well, we can dispense with reading it, but it will form a part of the record.

Mr. Minister and Gentlemen of the Committee,—I have been pretty well tied up lately, and I hurriedly made a memorandum this morning, it seems to me that we might take up the different subjects which this memorandum suggests. With your permission I will refer to it and then it will be for the committee to determine whether it should be taken up or not. I might say that I have in my hand the Act establishing the Department of Mines, and I think that the suggestions contained in my memorandum are quite in harmony with it, and that it is the duty of the committee to deal with some of the suggestions made and they are some of the very first things we should deal with; the first being the Department of Mines properly established. The Act says:—

‘There shall be a Department of the Civil Service to be called “The Department of Mines,” which shall be under the control and management of the head of one of the present Departments of the Government of Canada, who shall be named from time to time for that purpose by the Governor in Council, and who shall be called “The Minister of Mines.”’

That is section 3, and section 4 reads as follows:—

‘The Department shall administer all laws enacted by the Parliament of Canada relating to mines and mining, and shall also have the management and direction of all subjects assigned to it by the Governor in Council.’

Subsection 2 of section 4 is as follows:—

‘Wherever, under the provisions of this section, the management and direction of any subject is transferred from any other department to the Department of Mines, the Minister of Mines and the Deputy Minister of Mines shall be substituted for, and have all the powers and perform all the duties of the Minister and Deputy Minister respectively, of such other department, as defined and provided by the Acts and regulations relating to such subject.’

It is quite clear, that at the time of the passage of this Act the intention of parliament was to transfer to the Department of Mines all subjects that could be properly administered by that department. I will even venture to read section 5 and section 6, and although perhaps a little long, they will just give an idea where we are at, and lay a foundation for this memorandum. Section 5 reads:—

‘The Department shall consist of two branches, one of which shall be called the Mines Branch, and the other of which shall be called the Geological Survey.’

Then section 6 reads:—

‘The functions of the Mines Branch shall be—

‘(a) To collect and publish full statistics of the mineral production and of the mining and metallurgical industries of Canada, and such data regarding the economic minerals of Canada as relate to the processes and activities connected with their



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utilization, and to collect and preserve all available records of mines and mining works in Canada.

‘(b) To make detailed investigations of mining camps and areas containing economic minerals or deposits of other economic substances, for the purpose of determining the mode of occurrence, and the extent and character of the ore bodies and deposits of the economic minerals or other economic substances.

‘(c) To prepare and publish such maps, plans, sections, diagrams, drawings and illustrations as are necessary to elucidate the reports issued by the Mines Branch.

‘(d) To make such chemical, mechanical and metallurgical investigations as are found expedient to aid the mining and metallurgical industry of Canada.

‘(e) To collect and prepare for exhibition in the museum specimens of the different ores and associated rocks and minerals of Canada and such other materials as are necessary to afford an accurate exhibit of the mining and metallurgical resources and industries of Canada.’

Now, that shows there was a pretty wide scope of authority given, and I think that the intention of parliament was to have the Department of Mines fully equipped to deal with all the branches of mining, and the administration of all legislation in connection with it that might be necessary from time to time.

I will read the memorandum and then the members of the committee may feel disposed to discuss and take some action concerning some portions of it. First, let me say that if we do not move in the matter now and provide machinery by means of which the Minister of Mines will be enabled during recess to authorize the framing of a statute or mining law embodying such views as he may obtain, action of this kind must be deferred until next session. When that time arrives it will not be possible to gather information, frame a statute based upon that information, thoroughly thresh out the question and definitely agree upon and recommend to the House something in concrete form to be passed as an Act of Parliament. But if, during the recess, a Bill to give effect to the desired objects were drafted, we could take it up at an early stage when next we meet, discuss the proposed measure clause by clause, and ultimately get it into such shape that we could recommend its enactment by parliament. Therefore, unless we now decide to recommend that parliament confer upon the minister authority to have such a Bill framed—a delay of two years will in all probability take place. I think we should make every effort to have prompt action taken and so avoid that delay.

Mr. CONGDON.—Has any resolution been introduced in the House with regard to the appointment of a subcommittee for the purpose suggested?

The CHAIRMAN.—Not yet, but it is proposed to have a subcommittee or commission appointed. That is suggested in the memorandum. It is in rather crude shape but if the committee are agreeable it can be recast or a resolution can be drawn up and presented in more suitable form to the House. However, these recommendations are perhaps sufficient for the purpose of discussion.

First of all it is proposed that we should recommend:—

‘That in future all patents and leases of land, issued or granted, contain a reservation of all mines and minerals—’

Mr. CONGDON.—That is done now.

The CHAIRMAN.—‘and that all patents or leases of lands shall contain a clause to the effect that such patent or lease is subject to the provisions of the Mines Act—’

The Act when drafted will provide for the entrance of the explorer upon the lands subject to the payment by him of compensation to the owner for any damages he may cause—

‘in respect to the working of the mines as distinguished from the ownership or occupation and working or use of the soil and surface area contained in the patent or lease.’

Mr. McINTYRE (Stratheona).—That is all provided for at present.

The CHAIRMAN.—That may be, but if we pass a law such as I have indicated we must make provision for these things. At present they are not covered by any statutory enactment but provision is made through order in council.

Mr. McINTYRE (Stratheona).—You have reference to Dominion lands merely?

The CHAIRMAN.—Certainly, we cannot deal with other lands. Then I propose that we should further recommend—

‘That all patents, leases or titles to mining lands or mining rights, be in future issued by the Department of Mines subject to any general law or mining regulations in force.’

If these recommendations were carried out it would mean that there would be a separation of the surface from the mining rights or interests under the surface, and that the Department of the Interior, or other department charged with the duty, would issue the title to the surface of the lands—agricultural, timber or otherwise as the case might be—but any one requiring a title to the minerals underneath the surface would have to go to the Mines Department for it. There is a clear distinction made in that respect thus putting an end to the present roundabout method of procedure of obtaining a title which results in a great deal of delay and confusion. Explorers and others requiring mining rights and interests would soon acquire a knowledge as to the proper authority to apply to for a title and the department could facilitate that procedure by issuing leaflets of instructions. By this method the department would keep itself in touch with mining progress and thoroughly up to date. At any rate such is my view.

Then I propose the following as the third recommendation:—

‘That a mining law should be enacted that would embody such portions of the mining regulations as are deemed to be useful and would also provide conditions under which, in the case of discovery of minerals by the owner of the surface, such owner shall be entitled to claim a patent for the mining interests involved in the said lands upon compliance with the conditions of the Mines Act.’

That is the owner of the surface would not get the title to the minerals in his patent, but if he wanted the mining rights he could apply to the Department of Mines and obtain a title on the same conditions as any one else; he would have the first right if he were the first discoverer.

‘And which will also provide that in case of discovery by a person other than the owner of the surface of any lands hereafter patented or leased, the discoverer may acquire upon payment of such compensation for damages as might be agreed upon between the parties, or, in default of agreement, as might be determined by arbitration or otherwise, so that the mines of whatever character may be worked with as little inconvenience to the owner, or lessee, of the surface as circumstances will admit.’

That is a recommendation dealing with lands that are hereafter patented, and if we have the reservation for the explorer to enter upon lands and inspect them, upon paying the necessary compensation for damages, it seems to me we would have the requisite machinery for dealing with lands that are vested in the Crown. But that would leave untouched a rather difficult question and one that should not remain unprovided for. In my opinion all mining lands and mining interests should be on an equal footing, so I am making in this memorandum a suggestion to deal with lands that have been heretofore patented. The committee will have to decide how far they think they would be justified in taking any step in that direction.

I propose we should further recommend:—

‘That a provision be made in the Mines Act by which land heretofore patented or leased may be subject to exploration, and in the event of the discovery of minerals by a person other than the owner of the surface, such discoverer would be entitled to

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obtain the right to work the mines subject to payment of a percentage also to the conditions set out in the preceding paragraph—'

That is upon paying compensation for damages caused by entering upon the lands to explore, and, in accordance with the machinery which will be provided in the Mines Act, also compensation for any lands that he might take, such compensation to be paid before proceeding with actual mining should the explorer decide to do so, 'provided that in addition to any compensation for damages which may be agreed upon or determined as the case may be, the owner or lessee of the surface—'

That is of the surface of lands heretofore patented.

'shall be entitled to share in the profits of the mine to the extent of the percentage which may be provided by the Mines Act in respect to the various classes of minerals the winning of which the Act may provide for.'

In the case of lands still to be patented, lands not now alienated from the Crown, but to be hereafter patented, the owner of the surface will have no vested rights, because there is to be in the patent or lease a reservation, that is the case as to a good deal of the land already sold, there is I believe a reservation, but there is still, I am informed, a considerable area of land previously alienated in which there is no reservation; and as to these lands it will be noticed I propose that in addition to the compensation that the man (in whose patent or lease there is a reservation) would get for his land, or for the right of exploring on the lands. The patentee or lessee in whose title there is no reservation is to get an interest in the mine; that is, he is to get a share of the profits in the mine because he is giving up a vested right. I do not think he will be seriously prejudiced by such a condition, and it would make the mining law general in its uniformity throughout the country. My recollection is that such is the law of France, the law of Belgium, the law of Germany and the law of Sweden. If I am not mistaken similar laws have been in operation in those countries and have worked well as far as I know.

Then I have some further recommendations here:—

'And would further recommend that the Minister of Mines select a subcommittee or commission not exceeding three who may be given the powers of a Royal Commission.'

I do not know whether that is the right form or not, but the idea is to appoint a Royal Commission, and I put it in that form; however, we can discuss it later.

'(a) To prepare an Act for the regulation and sale or lease of mining lands and mining rights, and other matters connected with mining and the treatment of ores.

'(b) Keeping in view such orders in council relating to mines and minerals and the granting of titles and leases of mining lands as are now in force; also the provisions of chapter 29, Statutes of Canada, 1907, "An Act to create a Department of Mines;" also the recommendation under the head "Minerals" contained in the declaration of the North American Conservation conference, dated at Washington, D.C., February, 1909;'

Honourable gentleman are familiar with that, it is very concise, and is a strong recommendation, and I think it is along the right lines.

'also resolutions passed by the Canadian Mining Institute at their annual meeting, dated March 11, 1909.

'(c) Also the statutes of the various provinces of Canada relating to mines and minerals. With power to employ such persons and make such investigations as they may deem necessary in Canada or elsewhere, and with power to send for persons and papers.'

That is the whole matter, and it is now before the committee for discussion, if the committee decide to take it up.

Mr. McINTYRE (Strathcona).—Regarding most of the provisions which you have enumerated in that memorandum, I think, as you remark, they are nearly all taken



up in the present regulations and orders in council. With regard to the suggestion to separate the mining rights from the surface rights altogether, having them under different departments, I can only speak of the land in my own immediate district, and so far as that is concerned all that land has a bed of coal underlying it, every acre of it, and everybody is perfectly conversant, everybody knows full well, that it only requires digging down deep enough in order to come to a seam of coal. If you separate those two the chances are that the surface right will be very materially prejudiced by the mining right, that is, they will not be handled with the same readiness and ease as if they were both operated by the same department. Then, again, if my memory serves me right, in connection with the Canadian Pacific Railway lands the coal right goes entirely with the surface right. I can only speak of coal because that is the only mineral I am particularly interested in in my constituency, but with regard to the Canadian Pacific Railway land grant, and also with respect to the Hudson Bay Company's lands, they all carry the coal rights; that is the case also in regard to all ordinary patents issued before 1887, if I remember aright. I think Mr. Herron will bear me out in that—

Mr. HERRON.—1887, I think, is the date.

Mr. McINTYRE.—If you, in these Acts, undertake to take these rights away from these people—recollect that there are hundreds and thousands of acres of land in that country that are to-day worth double the price of what they would be if the mining right did not go with the surface right, and in certain sections land that sold two or three years ago for \$10 per acre would sell for \$500 per acre to-day, with the mining rights, because they are easy of access to the river, and it simply requires burrowing from the bank to get the coal. I do not think you ought to interfere with the rights that are already established. I cannot remember all your points, but in regard to the question of separating the title to the surface right from the title to the mineral right, the adoption of your suggestion would give rise to a great deal of difficulty.

The CHAIRMAN.—If I understand aright the practice and the regulation of the department now is that with regard to lands not sold the surface and the mineral rights are treated separately.

Mr. McINTYRE (Strathcona).—The rights are separate, that is true, but what I am getting at is that if they are administered by two departments it will widen the separation between them and give rise to difficulty.

The CHAIRMAN.—All that I am trying to do is to consolidate it in the Department of Mines, instead of having it administered by two departments.

Mr. McINTYRE (Strathcona).—But your contention is that the surface rights are sold to-day without reference to the mineral rights, which is not exactly true, they are sold separately, but with a proviso that the owner of the surface rights shall have the first claim on the mining rights. Your point there is that there should be a condition of actual discovery before that right is exercised, but it does not require discovery in our country, that is my point. The surface right and the coal right are not entirely separated in the case of the person who has a patent at the present time. The man who has the patent can get it under the regulations whereby when the mining right and the surface right were separate things he can prevent any prospector who has secured the coal right from coming on those lands, but, of course, he must take advantage of that regulation within a certain definite time, or he himself cannot get it.

The CHAIRMAN.—I think that is a matter largely of detail, which can be provided for when the Bill is drafted, I have only given the bald headings in this memorandum. Where the man to-day has the patent of the land, given with the understanding that he had all that is beneath it, and therefore had rights that this Act would interfere with, it seems to me that the Act should provide and the practice should be that the



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Crown should give that man his patent to the minerals without charging him anything, or, as the case may be, very little, in order to get uniformity. I think from the evidence we have had here, and from the information that has reached the committee that there is a difficulty, there is an entanglement, there is the case of parties who have been here for three months trying to get a title, and who have gone away without it. There ought to be some machinery by which a man might get a title to mining lands without difficulty.

Mr. McINTYRE (Strathcona).—Was that a case of coal mining lands?

The CHAIRMAN.—Yes, it is a coal mine in Alberta—that is more than a year ago and he has not got his title yet.

Mr. McINTYRE (Strathcona).—Remember you are going to get the machinery of government into a very great difficulty if you undertake to effect that, because the settler, who is the surface right holder considers that he has the first right to the coal underneath.

The CHAIRMAN.—He must be protected in his rights.

Mr. CONGDON.—The regulations governing the coal mining lands formerly did enable you to get 320 acres in order to get coal, but these regulations were rescinded in March, 1907.

Mr. McINTYRE (Strathcona).—My point is this, that he would acquire prior claim to the coal right by purchasing the surface right to-day. He can——

Mr. CONGDON.—No, he cannot. It just amounts to this: We have two separate kinds of lands. One kind consists of lands already granted under patents which give to the patentee either the full mineral rights or substantially the mineral rights. The other kind consists of lands that are being granted under patents now issued which reserve all these rights to the Crown. And I say that the only way in which this matter can be rescued from the utmost confusion is to have a provision declaring what rights can be granted by the authorities exercising and issuing those rights under the Mines Act, and to have a reservation in the patent co-extensive with such rights.

The CHAIRMAN.—It ought to work perfectly smooth.

Mr. CONGDON.—Exactly. What difference does it make whether the surface rights and the mining rights, which are now distinct, are administered by one department or whether one is administered by the Department of the Interior and the other by the Department of Mines as is proposed. Of course, there is a further difficulty suggested in this recommendation: the difficulty of getting back all these mining rights which have been already issued into the same condition as those which would exist under future patents. As far as I am concerned I am not in favour of any process of confiscation. In every province of Canada they have had the same difficulty through the carelessness with which the early patents were issued and in every such province, so far as I know, there has been adopted a policy by which ultimately all these rights will be got back so as to be in the same condition as they will be under the patents hereafter issued. We will have a further difficulty with regard to this matter: the difficulty of determining the relative rights of the surface owner and the mine owner in different localities. In some parts of the country it would be absurd to allow destruction of the surface in order to extract the minerals; in other parts of the country it is absolutely essential to permit that in order to secure such extraction, and the greatest care has to be taken in distinguishing between these two classes of districts. In the Yukon territory, for instance, mining is the important thing; the surface is a very minor consideration, and you cannot apply to mining in that country the same law as obtains in Ontario where the surface is of very great value. I think the right thing to do is to provide that the proposed commission or committee shall make recommendations as suggested. I do not think it is necessary to make any further recommendations with regard to the reservation in the patent, than that the reser-

vation should be made co-extensive with the mining rights to be exercised under the Act.

The CHAIRMAN.—We might drop that provision.

Mr. CONGDON.—I do not think the country is prepared to go into a scheme of confiscation of rights of that kind.

The CHAIRMAN.—I do not think any confiscation could take place under the recommendation made, because in the first place compensation is provided for, and secondly there is to be an interest in the profits of the mine. That might be made subject to the consent of the owner. It might be better to provide that the taking of the mining rights shall be subject to the owner's consent.

Mr. McINTYRE (Strathcona).—Is it not better to leave it this way: If I want mining rights I have got to come to you for them. The moment I obtain those rights and begin to exercise them I come under the Mines Act.

The CHAIRMAN.—That is the idea I wanted to convey. We must be very careful to see there is no confiscation of the vested rights of those who are now owners or occupants of the land. At the same time we should provide machinery by which the mines can be worked.

Mr. McINTYRE (Strathcona).—At the present time the person to whom the patent for the land is issued has priority of claim to the mining rights.

Mr. CONGDON.—I think not.

Mr. McINTYRE (Strathcona).—I think so under the regulations.

Mr. CONGDON.—I do not think so.

Mr. BURRELL.—I gathered from what the chairman suggested the owner of the surface rights would have the first claim if minerals were discovered.

The CHAIRMAN.—That would be my idea.

Mr. CONGDON.—Then he would have no right because the farmer is the last man in the world to develop mineral lands. It would be wise if you want this industry developed to throw the lands open to the world for investigation and discovery.

Mr. McINTYRE (Strathcona).—I could mention cases, even within this last year, where men have applied for rights as discoverers of minerals but could not obtain them owing to the fact that the owner of the surface rights had priority of claim and the right to operate the mine first.

The CHAIRMAN.—I think that was correct in the case of lands formerly sold.

Mr. McINTYRE (Strathcona).—It is so to-day, at least that is my understanding of the regulations.

The CHAIRMAN.—I do not think so. However, I do not speak from authority not having carefully studied the regulations. Members of the committee will bear in mind that the memorandum which I have presented is not a law but simply a tentative proposition. Before we recommend to the House we must eliminate anything that might be considered objectionable.

Mr. BURRELL.—Your recommendations apply only to Dominion lands.

The CHAIRMAN.—Certainly.

Mr. BURRELL.—How will it work in the case of the railway belt in British Columbia?

The CHAIRMAN.—I think it would apply to the railway belt and to lands not yet patented. Take the lands granted to a railway company as a bonus—the Canadian Pacific Railway, for instance. I see no reason why the Canadian Pacific Railway should not be subject to this law as well as anybody else. The lands for which they have already obtained the patent are out of our control but those still unpatented would come under this Act.

Mr. STRATTON.—Why not have a provision in the law so that the mining rights may be obtained from the owner or settler?

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The CHAIRMAN.—We are not discussing an existing law, but only the basis of a proposed law. Such an Act if passed would have to provide all that class of machinery. My idea was that if the Minister of Mines were given the right to appoint a committee or commission that body might employ some competent person to draft a Mining Act. The committee or commission after making investigation in various sections of the country would be in a position to advise the farmer of the Act, and when we again meet next session we could take up the proposed measure section by section and dispose of it to our satisfaction.

Mr. RHODES.—This committee has no authority to appoint such a commission.

The CHAIRMAN.—No, such appointment would have to be made by a resolution of the House. Once the House prorogues this committee ceases to exist.

Mr. STRATTON.—I suppose the situation now is that if the settler owns the lands and the miner is desirous of obtaining mining rights, the former may refuse to dispose of those rights until he gets a price which is acceptable to him.

The CHAIRMAN.—That is a difficulty which should be guarded against as far as possible.

Mr. GOODEVE.—The proposition you have suggested is a serious one. You want us to recommend to the House to appoint a commission consisting of three men provided with the necessary authority to travel from place to place and call witnesses and to draft a Bill along the lines suggested.

The CHAIRMAN.—They might employ a lawyer to do the drafting. I do not propose the commission should do that.

Mr. GOODEVE.—It is a pretty large order to recommend off-hand to the House the appointment of a royal commission to conduct an investigation of this kind. It would involve considerable expense.

The CHAIRMAN.—It occurs to me that we either want to do that or report to the House that no necessity exists for this committee.

Mr. HERRON.—What you have stated is in line with some recommendations which have been forwarded to me. Some meetings have been held in the Crow's Nest Pass district. I am not going to read any lengthy report, but I will quote a few lines to show whence these recommendations emanate: 'Some few days ago I was called to a meeting in the town of Coleman, Alberta, by the prospecting miners from the Pass, Bankhead and Calgary, together with some from Lethbridge and Taber, making in all an assembly of 27. The object of this meeting was to set forth the grievances as against the present mining regulations.' I do not think it will be necessary to go into all the grievances of these men, but I might give a clause which sets forth their recommendations.

These are a few points that should be considered, and we thought it would be well to ask you if it would be possible to arrange to have a commission to take this matter in hand. I might say that this is a copy of a letter that was addressed to the Minister of the Interior, with the resolutions. Of course that would mean a commission of at least one practical mining manager, and one practical prospector, together with any party you might think proper to appoint. Then it goes on to state, there are a lot of recommendations that they will recommend, but it shows, that what has already been stated here regarding the appointment of a commission is in line with the views of those men, who are all practical mining men, they want a commission appointed to go on the ground, to see the conditions, and to get the information such as can only be got by observation of the practical working conditions on the ground. I have several letters along that line here, but it is not necessary to take up the time of this committee to read them. I have one letter here from a man showing the conditions that our mining laws are in at the present time. It is a letter from a man named Albert Link, of Mountain Mills, a short distance from where I live. He says:—



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'I have been trying to purchase a slate claim on Mill Creek. I applied at Lethbridge.'

That is at the land office at Lethbridge.

'and was told that there were no laws governing slates and shales and that the application would be dealt with on its merits.'

'I am sending a copy of the letter that I am sending to Ottawa by the same mail and would beg you to see what can be done, as I am very anxious to do some development work on the claim. I cannot understand why there should be any bother in getting such a claim. Would you kindly intercede and do what you can.'

'The claim is located on legal subdivision 4, section 25, township 5, range 2, west of the 5th meridian.'

That letter shows that when you make a discovery of minerals in our country there is no way by which you can go to the land office and get a title to the minerals of any description, so you can see that things are not in a very satisfactory way.

Hon. Mr. STRATTON.—There is no doubt that all mineral titles should be in the hands of the Crown, and there should be some special effort made to obtain all the information possible with regard to those mineral lands which would be kept in the department where it would be absolutely obtainable, or accessible, and where any person wanting it can obtain it. A legitimate miner, or prospector, or developer, comes along and he is not able now to ascertain where the mining rights are.

Mr. GOODEVE.—The only point I make is this that the Mining Department has been established, with a Minister of Mines at the head of it, at the same salary as the rest of the ministers, and with a whole department of trained practical men, men in whom we have confidence. Now, the suggestion, if I understand it at all, is that we go over the heads of this department which have been appointed for the express purpose of looking into the mines and minerals of this country, and ask the government to appoint three men entirely outside of these men, to draft and submit a mining law.

The CHAIRMAN.—No, no, we ask the minister to appoint them.

Mr. GOODEVE.—The Act creating the Department of Mines gives to the minister authority covering almost identically the very suggestions that you make. Now, if the department is to be of any good to the country at all, and if the expenditure of the money it costs is to be of advantage to the country, it seems to me that the officials of the department should look into all these questions that come up such as that matter which Mr. Herron has brought up, and should submit, either to this committee or some other committee of the House suggestions as to the legislation required to meet such cases, instead of appointing new men with special expenses and special prerogatives in the way suggested. Have we not men in the department who are special technical men, the best men in Canada, such as Mr. Brock, Dr. Haanel, and other men of that kind? I understand that Dr. Haanel has already gone to Sweden to look into matters connected with mining there and to make recommendations suitable for Canada.

The CHAIRMAN.—The honourable member must bear in mind that we are dealing in this country with representative government, and no class of officials who are not responsible to the people can make laws suitable to the people of this country. Therefore, we give to the representatives of the people, who understand what the people want, the power to make the laws.

Mr. SMITH (Sanaimo).—Do you not think that the department ought to collect all the facts relating to mining, and when you have them all collected it is an easy thing for this committee to put all the regulations needed to govern the mining industry in the form of a statute?

Mr. RHODES.—I may say that I agree with Mr. Goodeve. It seems to me that this is a similar case to that of the Insurance Bill. When that measure was brought



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down it had been fairly considered by the officials of the department and it contained in a concrete form the legislation which was proposed. That Bill was referred to the Committee on Banking and Commerce, which heard all the parties interested. We should, I think, do the same with respect to these mining regulations. Let the Department of Mines prepare some concrete measure and place it before this committee, we will consider it, as the people's representatives, and will give heed to representations made by interested parties. It seems to me this would be the more practical method. Surely there are members of the staff in the Mining Department who are competent to advise this committee; I am a member of this committee, but I am absolutely ignorant on mining matters, and I think we should look to our officials for advice.

Mr. SMITH (Nanaimo).—It seems to me that you could not collect all this information outside the officials of the department.

The CHAIRMAN.—Nobody is proposing anything of that kind.

Mr. SMITH.—I understood you to recommend that this be done by outside men.

The CHAIRMAN.—This is the recommendation of the mining men of this country at their last annual meeting.

Mr. GOODEVE.—The Mining Department is there to do that work.

The CHAIRMAN.—With all due respect to the honourable member, the Mines Department is not yet established. This mining rights are dealt with by the Department of the Interior, and we are making a recommendation to establish the Mines Department. Let me read this resolution.

Hon. Mr. STRATTON.—We can make a recommendation to the House that the mining rights on all the lands in Canada be placed in the hands of the Mines Department.

The CHAIRMAN.—That is what this resolution says, that is the main point of this whole thing. Let me read this, honourable members may have seen it, but perhaps they have forgotten it. It is a communication forwarding the resolution passed by the Mining Institute of Canada at its last annual meeting:—

‘That the Canadian Mining Institute in annual meeting assembled instructs the council to appoint a standing committee to urge upon the government the necessity of early action with regard to the following resolution passed by the annual meeting held at Ottawa in March, 1908:—

‘Whereas, in view of the increasing importance of mines and mineral lands subject to the jurisdiction of the Dominion parliament, be it therefore resolved, that the Canadian Mining Institute in annual meeting assembled, do hereby memorialize the Dominion government to appoint a royal commission to secure evidence concerning the requirements of the mining industry in this regard, and to draft mining laws to be submitted for the consideration of the Dominion government. And as an argument in support of the appointment of such a royal commission, be it urged, that when a statute to be enacted by the Dominion parliament declares with clearness, conciseness and certainty the laws relating to mines and mining under federal control, such a statute would, as far as local conditions permit, be followed by the various provincial governments, thus ensuring as far as practicable a uniform system of mining laws throughout the whole Dominion.’

And then they passed another resolution:—

‘That the Dominion government take early action to complete the organization of the Department of Mines by transferring to it the complete administration of all mining lands subject to its control.’

Now what I propose is on all fours with these resolutions.

Hon. Mr. TEMPLEMAN.—When the Mining Institute passed these resolutions this committee was not in existence, and I pointed out to them my belief that a standing committee of the House of Commons would probably be able to perform the work

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which the institute suggested should be done by a royal commission. They rather approved of that idea and the Mining Institute are not now asking for the appointment of such a commission. It seems to me there are two points involved and a brief resolution would cover the whole ground. First there is the point raised by Mr. Stratton a moment ago as to including within the jurisdiction of the Department of Mines the administration of all mining lands. It is clearly the duty of that department to administer the mining lands of the country. The second point would be to recommend the consolidation and embodiment of all mining laws and regulations in a Bill which could be submitted to this committee at the next session of parliament.

The CHAIRMAN.—That is the idea.

Hon. Mr. TEMPLEMAN.—The Governor in Council has sufficient authority to appoint a royal commission, if deemed necessary, to investigate all these matters and draft a Mines Act such as recommended.

Mr. STRATTON.—Such a commission might co-operate with your department.

Hon. Mr. TEMPLEMAN.—The Governor in Council has ample power to appoint such a commission and I am under the impression there are sufficient funds in our departmental appropriations to meet the expense it would involve. Probably if a royal commission were to be appointed we might have to take a vote at the next session of parliament to pay for their services. There would be no difficulty, however, about employing a lawyer familiar with the mining laws, to draft a Mining Act.

The CHAIRMAN.—That is the important feature.

Hon. Mr. TEMPLEMAN.—And it might be possible to secure the services of one or two expert mining men to assist him. It seems to me that if this committee reports to the House a resolution recommending that action be taken in the two directions referred to we are doing almost everything that is necessary. I do not know that it is advisable at the present time to enter into a discussion as to the details of any mining law. The experts to whom the matter will be relegated will have to determine those, and the committee must pass upon the proposed Bill before it is submitted to the House. I think we should confine ourselves to-day to a simple recommendation to the House that an investigation should be held and a consolidation made of the present mining regulations. Such regulations should be embodied in an Act of Parliament ready to be submitted to us next session.

Mr. SMITH (Nanaimo).—I was going to ask if the Mines Department as it is now constituted needs the assistance of experts either to draft an Act or to make a special investigation. Have you not got the power to do that at present?

Hon. Mr. TEMPLEMAN.—I think so.

Mr. CONGDON.—Our recommendation should be for the governor in council to do it because they have full power to deal with such matters.

Mr. STRATTON.—Did you cover in your remarks the point about recommending to the House that the administration of mining rights be absolutely transferred from the Interior Department to your department?

Hon. Mr. TEMPLEMAN.—The Act creating the Department of Mines is very clear on that point. The administration of the mining lands of the country ought to be placed in the hands of the Mines Department.

Mr. STRATTON.—As a matter of fact is it?

Hon. Mr. TEMPLEMAN.—No.

Mr. STRATTON.—Would it not be better to make that recommendation to the House?

Hon. Mr. TEMPLEMAN.—That is a matter which the Governor in Council should take up whether you make a recommendation to that effect or not.

Mr. STRATTON.—I think it would be a good thing to point it out.

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The CHAIRMAN.—The Act provides that the Mines Branch shall deal with such subjects as are referred to it by the Governor in Council. The dealing with mining rights and the issue of mining titles has not been referred to it and so far the department has not dealt with these matters. I think the suggestion made by the minister is exactly in line with the resolutions of the Mining Institute.

Mr. GOODEVE.—You have read the resolution passed by the Mining Institute. I may say that I was present at the meeting when that resolution was passed. There were also present representatives of the various Departments of Mines. The Minister of Mines for Ontario, Hon. Mr. Cochrane, said he was delighted to be present at the meeting and hear the discussion, and he would be very glad, as far as possible, to make the Ontario law conform to the other mining laws in force in Canada. What the Canadian Mining Institute understood was that the Mines Departments of the various governments would take up this matter of having uniform laws.

The CHAIRMAN.—All I am proposing is that we recommend to the House that the Minister of Mines be empowered to take steps during the recess to give effect to the wishes of the committee.

Mr. GOODEVE.—I quite agree with that.

The CHAIRMAN.—I think it would expedite matters if the committee would appoint a subcommittee to draft a resolution for submission to the House.

Hon. Mr. TEMPLEMAN.—The committee have decided to recommend the securing of evidence in regard to the requirements of the mining industry, along the lines indicated and to draft a mining law to be submitted for the consideration of the committee. This would be a recommendation to the House.

The CHAIRMAN.—Do the committee think it wise to appoint a subcommittee of three to draft a resolution for submission to the House, because that resolution would have to be presented to-morrow?

Mr. SMITH (Nanaimo).—Why not draft the resolution now and present it immediately?

The CHAIRMAN.—Yes, if you prepare it in suitable form.

Hon. Mr. TEMPLEMAN.—We are quite clear as to what we should recommend, are we not?

Mr. STRATTON.—We should also recommend to the House the desirability of transferring mining rights in lands to the Department of Mines.

The CHAIRMAN.—Yes. That is the first portion of the recommendation contained in my memorandum.

Mr. CONGDON.—I would move as follows:—

‘That this committee recommend that there be assigned to the Department of Mines the administration of mines, including the issue of titles thereto and of all mining lands; second, that an Act be passed consolidating all the laws relating to mines under Federal control; third, that consideration be given to a policy which will have for its object the re-acquisition by the Crown of mining rights heretofore granted in patents of land.’

The CHAIRMAN.—That covers it.

Mr. SMITH (Nanaimo).—That this be a recommendation to the Mining Department.

The CHAIRMAN.—Of course in preparing this resolution to the House the Clerk of the Committee would be at liberty I presume to include in it anything that will make the object of the motion clear.

Mr. SMITH (Nanaimo).—Yes.

Mr. CONGDON.—I move that.

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The CHAIRMAN.—You have heard the motion as moved by Mr. Congdon and seconded by Mr. Smith, is it your pleasure that it be carried?

Motion carried.

Mr. HERRON.—What about printing the evidence that has been given before this committee at previous meetings?

The CLERK.—We have not asked permission to print it yet.

The CHAIRMAN.—I think we ought to have it printed; it will be useful information to send out.

Hon. Mr. TEMPLEMAN.—Will the clerk put a recommendation in the report that this evidence be printed?

Mr. SMITH (Nanaimo).—I move that the House be asked for permission to print the evidence.

The CLERK.—That it be printed for the Journals of the House?

The CHAIRMAN.—That is carried.

Committee adjourned *sine die*.



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To the Chairman of the Standing Committee on Mines,  
House of Commons, Ottawa.

The mining law which is best suited to encourage the exploration and development of a country such as Canada, with its vast stretches of remote and unexplored territory, should first of all offer reasonable inducements to the prospector to search for and discover the mineral resources of the country; it should provide him with a quick and easy method of holding mining land and obtaining a title to it on terms which would not be beyond his reach; it should provide that he should be enabled to hold this land as long as he personally might wish to live on it and mine it. In addition, it should enable him to spend practically all his time on his mining property, for the time spent on that property is the only time which is of value to himself and to the country which he is attempting to develop. The calls made on him to attend the government offices should be as few and brief as possible, and the procedure in such offices should be simple and inexpensive.

By thus giving the poor men quiet and undisturbed possession of mining claims as long as they might wish to live on them, many men would be induced to become permanent residents in the most remote parts of the country for there is nothing that will attract a population into any country as quickly as the discovery of precious metals in it, and when a country has had a population drawn into it by this means, a population usually composed of energetic, quick-witted men, men prepared and willing to make use of any of the natural resources with which they may find themselves surrounded, it is certainly good policy for the government to make such laws as will encourage and induce these men to acquire such property as they wish to develop, and become permanent settlers.

To meet these conditions, therefore, a prospector should be obliged to make a discovery, as defined by Mr. Justice Field, of the Supreme Court of the United States, stake out a claim of forty acres on the ground, and record it in the Government Recording Office free of charge. Afterwards, he should be obliged to record that claim annually as long as he continued to live on it, for say six months in each year, paying a renewal fee of ten (\$10) dollars a year.

In case of non-payment, this renewal fee should be doubled every six months and if the total amount was not paid at the end of two years, he should be notified both by personal letter mailed to the recorded address, and by public advertisement, that his claim would be forfeited in six months thereafter if the rent was not paid.

In case the prospector should wish to obtain assistance from others to work and develop his claim, a reasonable time should be given him to accomplish this purpose, say two years, on an annual rental of two hundred (\$200) dollars a year. At the end of these two years he should either go back to live on the claim, as provided for above, and pay his annual renewal of ten (\$10) dollars a year or he should have the privilege of taking out a longer lease as follows.

After a man had spent four thousand (\$4,000) dollars on a mining claim either in actual mining or in the installation of mining machinery, he should be given a lease of it for twenty years, renewable for an additional twenty years, at an annual rental of two (\$2) dollars an acre free from all other incumbrances, which rental in case of non-payment at the proper time, should be doubled every six months and at the end of two years, if the rental was still unpaid, notice should be given to the owner, both by letter and public advertisement, and six months thereafter, in case of non-payment, the property should be forfeited to the Crown.

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This lease should be perfectly free from any conditions dependent on the opinions or reports of officials, or from forfeitures from any other cause than the non-payment of rental.

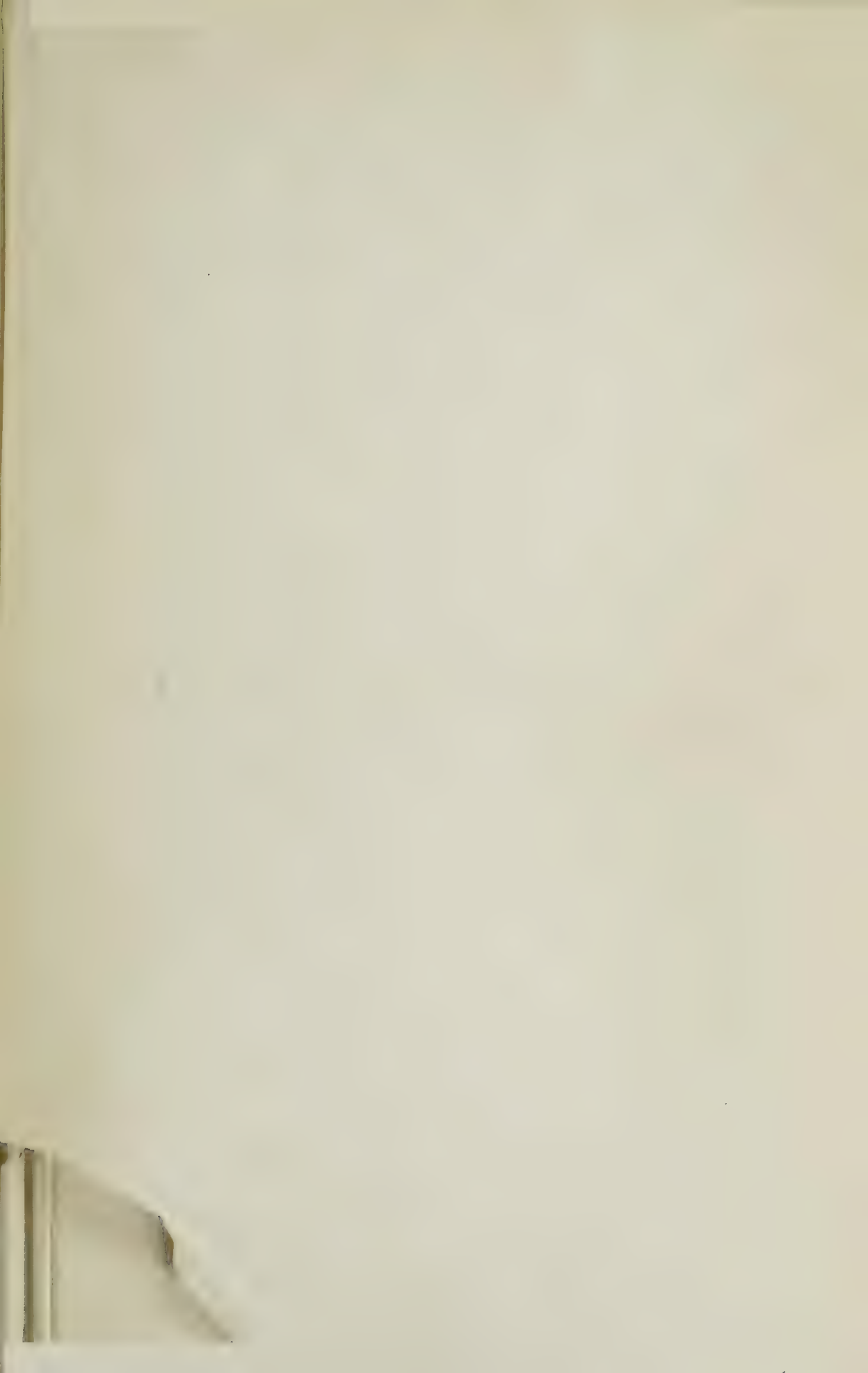
The prospector or miner should not be liable to changes in mining regulations from time to time, by Order in Council. All the conditions should be set forth in plain language in a statute.

J. B. TYRRELL.



















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